

Time and the Merit

By William Safire

they can get this goddam thing... in the UPI story on the Sinatra...

Daylight-saving is the action... but the result is neither daylight...

work Implicate Libya... Foiled Attack on Club

For many Americans, Europe has become a bunker in the shadow of terrorism.

As well as another Libyan official identified as Umaran Mansur...

Two men were formally arraigned on charges of forming a conspiracy to kill a group of U.S. officials...

Mr. Cuskun said the two, Ali Abdullah Shalabi and Bahar al-Mabruk Ibrahim, would remain in detention until authorities determined what action, if any, would be taken against them.

Mr. Cuskun said his investigation disclosed that the two Libyans were trained in guerrilla warfare in Libya.

Two student activists set themselves on fire Monday during anti-government and anti-American demonstrations to protest military training for students.

Mr. Iturbe, 42, her being driving Steven St. Jean de Luz when they were roadblocked...

Europe Seeks to Ease U.S. Rift

At Summit, Accord Hoped On Terrorism



President Ronald Reagan tossed a coconut Sunday as he and Mrs. Reagan walked along the beach in Honolulu. They were scheduled to arrive Tuesday in Indonesia before flying to Tokyo for the seven-nation economic summit conference starting next Sunday.

By James M. Markham... BONN — President Ronald Reagan will find his principal European allies at the Tokyo summit inclined to take fresh steps against international terrorism...

By Joseph Lelyveld... LONDON — Referring pointedly to her government's readiness to allow the use of British bases in raids on Libya...



President Ronald Reagan tossed a coconut Sunday as he and Mrs. Reagan walked along the beach in Honolulu. They were scheduled to arrive Tuesday in Indonesia before flying to Tokyo for the seven-nation economic summit conference starting next Sunday.

Thatcher Says U.K.'s Help in Libya Obligates U.S. on IRA Extradition

The ministry said the seven would have to leave Belgium within two weeks. The three Benelux countries have only seven diplomats at their missions in Tripoli.

By Clyde Haberman... TOKYO — Somebody asked Emperor Hirohito a few months ago what he thought about Halley's comet...

Mr. Nakasone, an uncommonly symbol-minded prime minister, has fanned the flames with his own brand of nationalism.

He insisted last August on making an official visit to a Shinto shrine closely associated with the old emperor worship.

At home, too, the prime minister has heard protest. The Socialist Party, the leading opposition group, says it will boycott the ceremony on Tuesday...

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Nuclear Accident At Soviet Plant Causes Injuries

Compiled by Our Staff From Dispatches... MOSCOW — The Soviet Union said Monday that an accident had taken place at one of its nuclear power stations...

The announcement came after Sweden, Finland and Denmark reported high radiation levels on their territory.

The elevated radiation levels in Scandinavia did not appear to be dangerous, officials said.

Western experts believe that there was at least one previous serious nuclear accident in the Soviet Union, near the city of Kyshtym in the Ural mountains...

In New York, Eugene Ganhorn, an analyst at the office of the Atomic Industrial Forum, a U.S. industry group of utilities and suppliers...

Mr. Ganhorn said it was not known if any of the four Soviet reactors had a containment structure like the steel and concrete surrounding central parts of all U.S. plants...

Tass said, "Measures are being undertaken to eliminate the consequences of the accident. Aid is being given to those who have suffered injury."

It said that a government commission had been set up to investigate the cause of the accident.

News of the accident was first reported by Sweden, which said that a radioactive cloud blew over Scandinavia on Monday...

Olaf Hermander, chief of the Swedish nuclear inspection board, said that the radiation probably resulted from a reactor overheating...

They have found unusual concentrations in Denmark and yesterday they found even higher concentrations in Finland.

The first indication of an accident came Monday when a worker at the Forsmark nuclear power plant in Sweden set off an alarm.

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2 Burn Selves to Protest Seoul's Military Training

United Press International... SEOUL — Two student activists set themselves on fire Monday during anti-government and anti-American demonstrations...

Witnesses said the two students were perched on a rooftop while directing a street sit-in in Seoul by about 400 activists from the state-run Seoul National University.

When riot police moved in, the witnesses said, the student leaders splashed kerosene on themselves and set themselves alight as they shouted anti-government slogans.

One of the students, covered in flames, jumped seven feet (two meters) to an adjacent roof.

The students, Lee Jae Ho and Kim Se Jin, both 22, were in serious condition at separate hospitals, the police said.

The sit-in was one of several student protests in response to compulsory military training for university students.

Recent campus demonstrations have assumed anti-American overtones as students are increasingly critical of Washington's support for President Chun Doo Hwan.

Many of these critics consider his government dictatorial.

Kickbacks Are Endemic in U.S. Arms Contracts, Inquiries Show

By Nicholas D. Kristof... LOS ANGELES — Kickbacks in the awarding of subcontracts by big military contractors are widespread and institutionalized...

Crackdowns on kickback rings have resulted in dozens of convictions in the past few years and investigators say the misconduct is part of a pattern of which they have only scratched the surface.

Subcontracting, the purchase by a prime military contractor of supplies or services from other companies, is said to account for \$50 billion a year in military spending.

Kickbacks take various forms, investigators say. Sometimes a buyer for a prime contractor seeks cash or gifts from a supplier or bidder for awarding a subcontract.

And sometimes several bidders get together with a buyer to scheme about how they can all become rich.

This may involve up to 50 percent of buyers and others in a position to award defense subcontracts, said Robert C. Bone, the U.S. attorney in Los Angeles.

Recent investigations have resulted in the conviction of employees of the Hughes Aircraft Co., which has since become a subsidiary of the General Motors Corp.

The programs involved included major contracts such as the Stealth bomber, the A-6 aircraft, the M-1 and M-60 tanks and laser targeting systems.

Hirohito Takes a Bow at 60 Years of Rule

By Clyde Haberman... TOKYO — Somebody asked Emperor Hirohito a few months ago what he thought about Halley's comet...

That brought a chuckle from some Japanese. For them, the response encapsulated much of what comes to mind when they think of the emperor — that he is unassuming, given to few words and keenly interested in scientific matters.

And old. He will turn 85 on Tuesday, and Japan has chosen that day for a national celebration of his 60 years on the Chrysanthemum Throne.

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Aides Say Reagan Is Poised for Summit But Prospects for Success Are Linked To the Concerns of Other Leaders

By Gerald M. Boyd
New York Times Service

HONOLULU — Despite widespread agreement that President Ronald Reagan is unusually well poised as he enters the economic summit to be held next week in Tokyo, key aides and other officials say prospects for the success of his agenda remain linked to factors largely out of his control.

White House officials say the president, having undergone a marked transition since his first economic summit meeting in Ottawa in 1981, has shed the image of a novice in international affairs for one of a confident leader comfortable in dealing with his counterparts.

Moreover, when he meets with the leaders of West Germany, Britain, Canada, France, Italy and Japan, it will be at a time of relative economic health throughout the world and a time in which Mr. Reagan enjoys close personal ties to several of the other participants. "I think at this moment, the president enjoys as good, if not better, relations with the other heads of government, as he has ever had," Donald T. Regan, the White House chief of staff, said recently.

But as Mr. Reagan strives for a consensus on economic and political questions, White House officials and other experts agree that the prospects of success are uncertain. Some doubt that personal ties

can overcome national and political interests, especially in discussions about moves to counter terrorism, with which the meeting is to begin next Sunday.

White House officials traveling to the meeting with the president say they believe terrorism has emerged as perhaps the dominant issue, a development they generally welcome. Before Mr. Reagan ordered a military strike against Libya two weeks ago, they had expected the focus to be on trade and on achieving better coordination of the world's economy, especially in the matter of currencies.

Several aides to Mr. Reagan who will take part in the Tokyo meeting, which is the 12th economic summit of the leading industrial democracies, suggest that a highly positive reception awaits him.

"The president is in a very good position," said one key Reagan aide who has taken part in the other summit meetings. "We have a strong economy. We've had a robust recovery. Our inflation is down; our interest rates are down. People were complaining the dollar was too high; that's not so easy to complain about right now. Some are beginning to complain it's too low, as we predicted they would if it changed."

One prevailing view within the administration is that while the Western leaders might have been skeptical of Mr. Reagan's economic program at earlier summit meetings, the fact that the world economy is now generally more sound proves he was on the right course.

Beyond that development, Reagan aides agree that the president's posture has gradually been strengthened in foreign affairs.

For example, they note that with the exception of Prime Minister Jacques Chirac of France, who will be accompanied at the meeting by President François Mitterrand, Mr. Reagan has had personal dealings with the other leaders at the talks — dealings that have generally been positive.



A maid prepares the bedroom in the suite where Ronald and Nancy Reagan are staying on the island of Bali in Indonesia. The president and his wife were scheduled to arrive there Tuesday on a three-day visit and talks with Asian leaders before leaving Friday for Tokyo.

Helmut Sonnenfeldt, a guest scholar at the Brookings Institution who was an official in the Carter administration, noted recently that while Mr. Reagan is in a relatively strong position, some of his counterparts have political problems that could affect their ability to cooperate with him.

For example, the popularity in Britain of Prime Minister Margaret Thatcher has been waning. Chancellor Helmut Kohl of West Germany and Mr. Mitterrand are embroiled in domestic political squabbles, and the Japanese prime minister, Yasuhiro Nakasone, is expected to announce new elections soon.

Moreover, experts and key Reagan aides agree that the Western European leaders will find it difficult to endorse the administration policy of responding with military attacks to terrorist acts for which responsibility can be firmly established.

The idea of following the U.S. example in this creates a "sense of vulnerability" among the European leaders' commitments, some officials say. In the Tokyo meeting, aides say, Mr. Reagan is also venturing into a political and economic climate that has changed radically since the summit meeting in Ottawa in 1981, a time of mounting U.S. deficit problems.

Some aides say that the deficits put Mr. Reagan on the defensive but that last December, Congress deflated the issue by mandating a balanced budget by 1991.

Aides acknowledge that when Mr. Reagan went to Ottawa five years ago, he was a foreign policy novice. One participant said the meeting was a learning session for the president, in that he found that "the competition was substantially less sophisticated" than some had imagined it would be.

White House officials said Mr.

Reagan's relationship with the other leaders in these meetings has gradually been strengthened as new heads of state have come to office, and as foreign policy challenges have provided them with opportunities for close cooperation.

For example, the aides believe that the American decision to side with Britain during the Falkland Islands war cemented an already close relationship with Mrs. Thatcher.

Similarly, the refusal last year to reverse his decision to visit a West German military cemetery at Bitburg, despite a tumultuous domestic reaction, endeared him to Mr. Kohl.

More recently, Mr. Reagan granted Mr. Nakasone a rare visit to the presidential retreat at Camp David, Maryland, a move that White House officials have said was made with the expectation that it would enhance the Japanese leader's status at home.

At Tokyo Summit, Europe Will Seek To Ease Rift With U.S. on Terrorism

(Continued from Page 1)

based U.S. F-111 bombers on their way to Libya.

Their debut together — a Socialist president, a rightist prime minister — will be the most conspicuous test of the *cohabitation* in the government of left and right dictated by the triumph of the conservatives in parliamentary elections last month.

Mr. Chirac, however, appears content to allow the president to assume the larger public role, possibly in the hope of resping public credit at home for toughening France's terrorist policies behind the scenes.

In Italy, Prime Minister Bettino Craxi has other reasons for being forthcoming on the terrorist issue at Tokyo. Disputes over how to deal with Libya and terrorism have put harsh strains on his badly divided five-party coalition government, which briefly collapsed last year after Rome allowed a Palestinian implicated in the hijacking of the Achille Lauro liner to leave Italy.

A senior Italian official remarked that, in the last year, fric-

tions over terrorism had generated "the worst relations ever with the United States," and that Mr. Craxi was determined to mend ties at Tokyo. "For us it is very important to restore a spirit of cohesion in the alliance," the official said.

Reports from Britain say Prime Minister Margaret Thatcher has given her support to a U.S. plan that would improve extradition procedures between summit nations; impose stricter visa requirements for citizens of countries that foment terrorism; set up a global blacklist of diplomats and others known to be implicated in terrorism; and mandate closer cooperation among security agencies.

A senior British official predicted "a relatively quiet summit," saying that he did not think that economic issues would be completely swamped by the terrorist question, which is expected to be handled in a separate declaration.

Chancellor Helmut Kohl of West Germany presumably will contribute to the harmony, since Mr. Kohl has been talking tough on terrorism lately. But the West German leader ruled out any easing of

his opposition to economic sanctions against Libya. "I can see no argument whatsoever that could change our position," he said before departing for Asia.

In private, West German officials have become vehement in voicing their irritation over what they consider the hypocrisy of the Reagan administration's demand for economic sanctions against Libya while American oil companies continue to do a booming business in the North African state.

With the dollar falling steadily and Congress and the administration showing signs of taking the budget deficit seriously, Mr. Reagan is viewed by many Europeans as being in a fairly strong position to demand brisker expansion of the Japanese and the German economies.

Yet, though feeling pressure both from Washington and West Germany's European partners, Mr. Kohl will probably resist demands that he further cut interest rates and slash taxes and — in his view — possibly endanger a scenario for a firm recovery that he hopes will lead to re-election for his coalition in January.

France Seizes ETA Suspect

(Continued from Page 1)

tion attempts in 1975 and 1979, presumably mounted by extreme rightist Spanish groups opposed to independence for the Spanish Basque region.

Spain Welcomes Arrest

The arrest of Mr. Iturbe was welcomed Monday in Madrid as a sign of the French government's determination to continue a crackdown on separatist guerrillas, Reuters reported.

"The capture of anyone with the capacity to kill is good news," a spokesman for the interior Ministry said.

The arrest made front-page news in the Spanish press. It came five days after the French interior minister, Charles Pasqua, gave his Spanish counterpart, José Barriounevo Peña, assurances that the new French conservative government would continue to crack down on ETA suspects and even exert more pressure than the former Socialist government, the spokesman said.

The arrest of Mr. Iturbe also came two days after five Spanish civil guards were killed in a car-bomb explosion in Madrid. Police said they suspected ETA of carrying out that attack.

Japan's Hirohito Takes a Bow

(Continued from Page 1)

He renounced his claim of divinity in 1946 and is now "symbol of the state and unity of the people" under a constitution imposed by the U.S. pier.

He remains chief priest of indigenous Shinto religion, gets to sign documents and receive regular government briefings.

Madison Square Garden to Be Razed, Rebuilt for 5th Time in New York

(Continued from Page 1)

NEW YORK — The owners of Madison Square Garden intend to raze the arena, replace it with twin office towers and build a new arena two blocks west of the present site, New York City and state officials have announced.

The new Madison Square Garden, the fifth with that name in New York history, is expected to cost more than \$1 billion and would be constructed above a railroad storage yard now being built just west of 10th Avenue between 31st and 33d Streets, the officials said Friday.

The decision by Gulf & Western Industries Inc., which owns the arena, ended months of guessing about the future of "the Garden," as it is called. Gulf & Western officials declined comment on the plan.

The government officials said that Gulf & Western hoped to start building the new arena by 1988, and to finish it in two years. The present Madison Square Garden would remain in use until the new one was built.

The new Garden is to be built on a single level. Officials said it would contain roughly 20,000 seats, making it slightly larger than the current arena. The present arena was completed in 1968.

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Kickbacks Are Endemic in U.S. Arms Buying

(Continued from Page 1)

bid-rigging scheme involving a subsidiary of the Singer Co.

A major problem, according to Mr. Carvey of Hughes Aircraft and others, is that kickbacks are very difficult to detect. Audits frequently do not turn up evidence of fraud, and military equipment is often so esoteric that executives do not know what it should cost.

Military contracting companies sometimes suspect employees, he said, but these buyers then are likely to leave and join other companies as buyers.

Investigators say there is enormous fear among suppliers that, if they turn in a buyer who demands kickbacks, they will lose business. The same fear also leads some suppliers reluctantly to participate in kickback rings, for fear of being frozen out of deals if they do not make "gifts" to the buyer.

Otto Moulton, who owns a machine company in Topsfield, Massachusetts, said that about five years ago, when he refused to pay \$45,000 to a buyer at a military contractor, his business with that contractor fell from a rate of \$500,000 to \$750,000 a year to less

than \$50,000. Nevertheless, he refused to make any payments, he added, and he discussed his case with U.S. authorities.

Investigators say they have been startled by the continuing bravado shown by those engaged in kickbacks. Two buyers at Hughes Aircraft, according to covert tape recordings, accepted payments in the form of cocaine. And a vice president of Teledyne Camera Systems in California accepted payments in checks made out to a shell company he formed, called Profit Maker Enterprises.

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WORLD BRIEFS

Heartened by Duvalier Exit, a Slum Fights to Change

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Budget Guidelines for '87 Spending

BRUSSELS (Reuters) — European Community finance ministers met Monday for preliminary discussions on the 1987 budget...

Net Calls Arms Plan New Approach

LONDON (Reuters) — Soviet officials said Monday that a new approach to arms control talks was being proposed...

Pilot to Be Buried at Arlington

WASHINGTON (AP) — The remains of the space shuttle Challenger's pilot, Commander Michael J. Smith, will be buried Saturday in Arlington National Cemetery...

His Split on Status of Jordan Talks

NEW YORK (Reuters) — Prime Minister Shimon Peres said that Jordan was engaged in quiet diplomacy, but Foreign Minister Amir said the two countries had made little progress towards a peace agreement...

Black Killed Near Johannesburg

JOHANNESBURG (UPI) — White police officers fought a gun battle with black radicals Monday in the black township of Alexandra outside Johannesburg, killing two blacks and wounding one...

The Record

Police officers scoured an Andean peak Monday and found the light plane that carried Education Minister Camilo Gallegos and two other persons, reports said. It appeared that all were dead...

Deaver Asks for Special Prosecutor

WASHINGTON — Michael K. Deaver Monday asked the appointment of a special prosecutor to investigate allegations that he had a conflict-of-interest relationship with a former deputy White House aide...

By Mariac Simons

PORT-AU-PRINCE, Haiti — When a rainstorm broke over the city, it hit the waterfront slums with the effect of an air-raid alarm. In the dark, men pushed racks into the doorway and women woke up the children, grabbing babies and their few belongings off the floor...

In a world where straw mats serve as beds for most people, heavy rains mean no sleep. "Sometimes we sit up all night," said a woman, scooping up water, "or we have to go to a higher place." Yet in the slum known as La Saline, people just a step from disaster continued to talk cheerfully about how life might change now, in a burst of optimism generated by the end of the Duvalier regime...

But priests who are organizing and promoting the local committees say they are a first step toward involving people in political life in a country lacking in education, institutions or instruments of change. They say many Haitians distrust the politicians and parties who are already jockeying for position in a future presidential race. There is a trend, they say, in which people want to do things themselves. "We want to teach people how to organize, how to...

A priest found it significant that the two best homes in La Saline belonged to the tailor, the man who helped improve personal appearance, and to the owner of the borlette, a numbers game that might provide a ticket out of the slum.

use their voice and their vote," said Jacques Champagne, a church worker and political adviser in La Saline. "The street demonstrations have been ending in confusion." [Mr. Champagne was interviewed prior to a demonstration Saturday that led to the deaths of at least seven persons. The head of the ruling council, Lieutenant General Henri Namphy, said Sunday that the violence was provoked by groups "who exploit the misery and naivete of the people to defend their own economic interests." The Associated Press reported.] In La Saline, about 10 blocks from the center of Port-au-Prince, life seems reduced to such a bare...

minimum that it is talked in cents. The women who fetch water walk half a mile (about a kilometer), buy a bucket for 9 cents and resell it at 10. Claire D'Haiti said she had used her savings to buy a large bag of soap powder. She rewrapped the powder into tiny chunks the size of marshmallows, and began selling them at her front door for 2 cents apiece. In the alley, discarded items were being recycled for brick trade. Young men who had collected empty...

As a soccer club, Freedom also could hold meetings, and it used them to plot against the government. Its members were the first to throw stones at the police during demonstrations in January. The neighborhood committee, also called Freedom, seems recently to have gained a militancy that development workers said they had not seen before. First of all, it decided that La Saline would not be moved to accommodate a new modern market complex. "We want improvements right here," said Mr. Olivier. "The most urgent thing is water," and "we have not a single latrine." The community's list of demands includes proper homes for 2,000 families, a day-care center, three schools, workshops, a slaughterhouse and a public square. It is the last item that best reflects the magnitude of La Saline's faith. "We want our neighborhood to have attractions for visitors," said Mr. Louis, the kerosene-lamp maker, reading from the list. "We want to become a tourist site, for Haitians and for foreigners."

Nicaragua To End Grain Subsidies

MANAGUA — In a major shift of policy, the Sandinista government, which is seeking to pull agriculture out of a slump in production, has said it would lift price controls on grain to provide more money to producers. The agriculture minister also announced that Nicaragua has set aside large areas of farmland for U.S. farmers who lost their own properties because of President Ronald Reagan's "hard" policy toward small producers.

Jaime Wheelock Romin, the minister, made the announcements at a weekend conference attended by 500 delegates from farmers' groups in Latin America, the United States, Canada and Europe. Mr. Wheelock said the Marxist Sandinista government was making 11,760 acres (4,700 hectares) of farmland available to U.S. farmers, effective immediately. He said nothing about terms for acquiring the land, and did not say if the government had publicized the offer in the United States. In past years, debt problems have forced some U.S. farmers to give up their land and homes. The lifting of price controls appeared to be a major break from past policy of subsidizing grain sales to the public. Subsidized prices had sharply limited the government's farm income and cut into the amount of money available to pay farmers, who by law must sell their crops to the government. Small farmers have reduced production in recent years because of low fixed prices. Several shortages developed as farmers decided it was cheaper to buy grain at the government-subsidized price than to produce the grains themselves. Mr. Wheelock also said the government recently instituted another incentive in paying coffee and cotton producers partly in cordobas, the Nicaraguan currency, and partly in U.S. dollars. Mr. Wheelock sought to assure owners of small and medium-sized farms that they were safe from government takeover. He said a new constitution now being written would guarantee the private property of such producers "who work efficiently."

Nicaragua said that it had inflicted 1,000 casualties on U.S.-backed rebels this year but did not provide a breakdown of dead and wounded, Reuters reported from Managua. The chief army spokeswoman, Captain Rosa Pasos, said Sunday that Sandinista casualties were not more than 300 during the period. Captain Pasos said that during the past month small groups of insurgents had penetrated Nicaragua from bases in neighboring Honduras and as many as 1,800 of the "contra" rebels were now in Nicaragua.



Nicaraguan Army soldiers recovering at a hospital in Managua after being wounded fighting rebel forces. The leftist government in Managua said Sunday that rebel casualties totaled 1,000 since the start of the year, compared with government casualties totaling about 300.

El Salvador Sends 13 Injured Rebels Out of the Country

SAN SALVADOR — The Salvadoran government has allowed 13 wounded leftist guerrillas to leave the country for Mexico as a humanitarian gesture, according to the archbishop of San Salvador. Archbishop Arturo Rivera y Damas said Sunday in his homily in Metropolitan Cathedral that the nation's military leaders approved the evacuations Saturday by a Red Cross team and the Roman Catholic Church.

The church has served as liaison between President Jose Napoleon Duarte's government and the rebels, who have been fighting a civil war for six and a half years. The archbishop said the wounded guerrillas left on two airplanes for the Caribbean island of Costa Rica, which is mainly a tourist resort. He said they were accompanied by Maria Julia Hernandez, a representative of the church's legal office. The military press office said it had no information about the evacuations. It was the first report of the government allowing wounded guerrillas to leave since the Oct. 24 release of Mr. Duarte's daughter, Ines Guadalupe Duarte Duran, 35, by guerrillas who had held her for 44 days. In exchange, about 100 wounded rebels were released.

Advertisement for Vacheron Constantin watches. Features a photograph of a watch and text: 'VACHERON CONSTANTIN Geneve', 'Modele 333 Quartz du mecanisme or, acier, or et acier.', 'AVAKIAN JOAILLIERS', '112, RUE SAINT-HONORE - 75006 PARIS', 'TEL. 01 42 24 40 04'. Includes 'Tax free for export'.

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BURGER CHRISTENSEN 112, RUE SAINT-HONORE - 75006 PARIS. KLM Royal Dutch Airlines.

Vertical text on the left edge of the page, partially cut off. Includes 'Summit, Europe', 'ift With U.S. on T', 'Reports from Britain say Prime Minister Margaret Thatcher has given her support to a U.S. plan that would improve extradition procedures between summit nations. The plan would impose stricter visa requirements for citizens of countries that have been blacklisted of diplomats and known to be implicated in terrorism. The plan also mandates closer cooperation among security agencies. A senior British official predicted that he did not think any of these issues would be completely resolved by the summit, but a separate declaration. Chancellor Helmut Kohl of West Germany presumably will be pleased by the harmony, since Mr. Kohl has been talking tough on terrorism lately. But the West German government has ruled out any easing of its stance on terrorism. The summit is expected to cost more than \$1 billion to host. The summit is expected to cost more than \$1 billion to host. The summit is expected to cost more than \$1 billion to host.

Vertical text on the left edge of the page, partially cut off. Includes 'Madison Square Garden', 'Rebuilt for 5th Time in', 'NEW YORK — The owners of Madison Square Garden are expected to announce plans to rebuild the arena on the present site. The new arena is to be built on a 26-acre site, roughly 20,000 seats, and will be the largest arena in the world. The present arena was built in 1925 and has a seating capacity of 18,000.

Vertical text on the left edge of the page, partially cut off. Includes 'don't forget our direct services to Dallas/Fort Worth, London, Paris and Frankfurt. And our service from Frankfurt to Chicago.'

Vertical text on the left edge of the page, partially cut off. Includes 'The Record', 'Police officers scoured an Andean peak Monday and found the light plane that carried Education Minister Camilo Gallegos and two other persons, reports said. It appeared that all were dead. In search teams found the wreckage of a commercial plane near the border. All 13 persons aboard were believed dead. (UPI)'

Vertical text on the left edge of the page, partially cut off. Includes 'Kong Office Inc.', '24 hours a day Medical and Personal Services', 'International SOS Assistance SA', '15, rue Lombard, CH-1205 Geneva', 'Tel.: 222-47 61 61. Telex: 427 172'

American Airlines logo and text: 'The American Airline.'

FAA Struggles to Build Controller Ranks

By Reginald Stuart
New York Times Service

OKLAHOMA CITY — The Federal Aviation Administration graduated 91 students from its academy here last week, rookies the agency needs in its efforts to rebuild the ranks of controllers who direct U.S. air traffic.

Nearly five years after President Ronald Reagan dismissed 11,000 striking controllers, the aviation agency is still struggling to get the controller force back to strength.

Officials concede that the flow of air traffic in the United States has been delayed at times since the strike, in part because of a shortage of controllers. And the Reagan administration and Congress have

disagreed over whether efforts to rebuild the controllers' ranks were moving fast enough.

Some lawmakers have charged that the administration has engaged in a dangerous game of words and numbers when discussing its rebuilding of the controller work force. In addition, questions about air safety have plagued the agency.

The General Accounting Office, a congressional investigative and auditing arm, has recommended that the FAA impose temporary restrictions on air traffic until the agency reaches its staffing goals and reduces overtime work.

Donald D. Engen, who heads the agency, has dismissed much of the

criticism as unfounded and based on misunderstanding.

"Very basically, we haven't reached our goal for a number of reasons," he said. "The attrition rate has been higher than we anticipated. There's been a dynamic movement in veteran controllers—some moving up, some retiring."

Studies have shown that the agency had a retirement rate higher than was expected, in part because of job dissatisfaction but also because of fears that changes in the federal retirement system would yield reduced benefits in the future.

Analysts and officials say a prime reason for the shortage of controllers lies in the low success rate in developing new talent.

The FAA has rejected the idea that it should have 16,200 controllers, the number working before the 1981 strike. Its goal has been a "controller work force" of 14,480 people, of whom 75 percent would be full-performance controllers, qualified to handle any assignment.

Before the strike there were two classes of air traffic controllers. About 13,200, or 80 percent, were full-performance controllers. The rest were qualified to perform some jobs and were training to become fully qualified.

After the strike, the agency added a new class, air traffic assistants. They are limited to handling paperwork. The agency counts them in the "controller work force," along with students here, many of whom will not complete the program.



Donald D. Engen

130,000 people inquired about the jobs. But last fall, fewer than 30,000 people responded to a call for applications. The positions initially pay about \$20,000 a year.

In the federal fiscal years of 1982 through 1985, 13,533 trainees enrolled in the academy and 5,683 failed. There were 151 students in the class that finished its training last week, of whom 91 graduated.

The initial four weeks of the 12-week training course here combine learning about the federal civil service system and courses on controlling air traffic. In the final four weeks, students work through 32 laboratory exercises in controlling air traffic without the use of radar, as they would have to work in the event of computer failures. Those involved say the pressure is intense.

Researchers at the agency's Civil Aeronautics Medical Research Institute here cite several factors to explain a higher failure rate among students who entered the training program after the strike.

Although the average age of an academy trainee has continued to be about 26, 70 percent of those who came to the academy before the strike had prior aviation experience. Since the strike, 67 percent have had no such experience.

Further, before the strike, more than 50 percent of the trainees had experience in air traffic control work, mostly through military service. Since the strike, 15 percent have had such experience.

Radio Liberty Editor Redefects

In Moscow, He Says Station Is U.S. Intelligence Operation

By Reginald Stuart
New York Times Service

MOSCOW — The Soviet-born news chief of Radio Liberty, a Russian-language station operated by the U.S. government, reappeared here Monday and said the station was run as an intelligence operation to subvert the Soviet state.



Oleg Tumanov at his press conference Monday in Moscow.

Oleg Tumanov, 42, appeared at a press conference, two months after he disappeared from his job in Munich as Radio Liberty's acting editor in chief.

In a prepared statement, he described his 20 years in the West as a nightmare. "My road back home has been torturous. I wouldn't wish anybody to experience this," he said.

He said he returned after contacting a Soviet embassy and had not been kidnapped, but he refused to give other details.

He named Western correspondents he said had links with the station, which is regarded by the Kremlin as a front for the Central Intelligence Agency.

Mr. Tumanov was the fourth apparent defector to be presented to the Western press by the authorities in the past two years. He appeared emotional and shaken, and officials had trouble controlling the press conference after foreign reporters pressed questions about his decision to return.

In 1965 he jumped ship off Libya while on service as a military conscript. He subsequently was sentenced to death by the Soviet Union in absentia.

Reading his text, which also was issued by Tass, Mr. Tumanov described how he had been taken under the wing of the CIA and eventually offered a job with Radio Liberty.

Radio Liberty and its sister station, Radio Free Europe, were set up after World War II by U.S. intelligence to broadcast to the East bloc. Mr. Tumanov said the stations were still run by serving intelligence officers.

He said the U.S. Embassy in Moscow and some correspondents helped the station gather information on the Soviet Union. The station, he said, also had CIA-run departments seeking to recruit Soviet

citizens abroad or obtain information from them.

In Munich, a spokesman for Radio Free Europe-Radio Liberty expressed surprise at Mr. Tumanov's defection and his charges against the station.

"We are an open station," said the spokesman, Bob Redlich. "No intelligence officials work here. We act as a surrogate free news and information station to give the Soviet bloc 'the type of information they don't get or get distorted.'"

Mr. Tumanov said correspondents having links with Radio Liberty were a former BBC correspondent, Tim Sebastian, who was expelled from Moscow in October, and Serge Schmemmann, The New York Times bureau chief.

He said Mr. Sebastian provided materials in Munich and Mr. Schmemmann received Radio Liberty research documents. He was ap-

parently referring to a service received by many Western correspondents in Moscow.

Mr. Tumanov's statements were similar to those of recent returning defectors. In 1984, Oleg G. Bitov, a journalist, said he had been forced to live in London and write a book.

The same year, Stalin's daughter, Svetlana Alliluyeva, gave a similar news conference statement after returning to Moscow following 17 years in the West. She left again this month and said in the United States that her text had been dictated by Soviet officials.

In November, Vitali S. Yurchenko, a diplomat said by the United States to be a high-ranking official in the KGB secret police, came back to Moscow after apparently defecting. He said he had been kidnapped by the CIA.

All four have described their time in the West as a nightmare.

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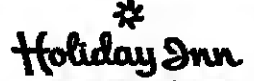
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European Commission To Send Food to Africa

The Associated Press

BRUSSELS — The European Commission will give 18 million European Currency Units (\$17.6 million) worth of food to Ethiopia, Mozambique and Uganda.

Hundreds of tons of powdered milk, butter oil, vegetable oil, cereals and beans will be distributed among the three countries.

Israel Fears Arms Plot Hurt Image in U.S.

Washington Post Service

JERUSALEM — Members of the Israeli establishment say they fear a retired general's involvement in an alleged attempt to smuggle U.S.-made weapons to Iran may further damage Israel's reputation in Washington after a spy scandal late last year.

Israeli officials moved quickly last week to dissociate themselves from the alleged plot of a retired brigadier general, Avraham Bar-Am, and other Israelis who were detained April 21 in Bermuda at the request of the U.S. government.

Seventeen persons, including American and West German nationals, were indicted April 22 in New York on federal charges of trying to smuggle U.S.-made jet fighters and Israeli-made air-to-air missiles to Iran through other countries.

Menachem Meron, the Defense Ministry director-general, immediately told the U.S. chargé d'affaires in Jerusalem, Robert Flaten, that the Israeli government was not involved.

Mr. Meron said Israel stopped supplying war material to Iran long ago in observance of the U.S. arms embargo in the Iran-Iraq war.

The prompt denial contrasted with the silence that met the arrest Nov. 21 in Washington of Jonathan Jay Pollard, a civilian U.S. Navy intelligence analyst who was accused of spying for Israel and is awaiting trial.

Eleven days later, Israeli officials partially acknowledged that a special Israeli unit may have been conducting intelligence operations against the United States.

Despite official and private disclaimers here, the scandal concerning General Bar-Am remains embarrassing because of Israel's long relationship with Iran.

Those ties extended well beyond the fall of Shakh Mohammad Reza Pahlavi in 1979 and, according to some reports, may have involved clandestine arms shipments as recently as September.

Israel has a long record of helping anyone who fights Arab governments, and for years it also attempted to improve conditions for the Jewish community in Tehran, which now is much reduced.

It also reportedly hoped to aid Iranian officers who had been trained by Israel during the shah's reign in a possible overthrow of Iran's revolutionary government. But most of those officers have left Iran or no longer hold positions of authority.

According to accounts in the French press, Israel shipped spare parts for U.S. weaponry to Iran in 1981 and 1983.

On Sept. 15, an Iranian DC-8 cargo plane took off from Tabriz, Iran, and landed in Israel, according to published reports. That incident prompted unconfirmed rumors that the Israeli military pipeline to Iran had reopened.

Based on the limited details available here on the Bar-Am case, many Israelis say they would like to believe that the general and his amateuish alleged associates never intended to deliver the promised arms to Iran.

Rather, press accounts and Israeli sources suggest, they intended to disappear after persuading their Iranian customer to make a sizable down payment.

Israeli knowledgeable about the allegations cited a number of inconsistencies in the case that they said bolstered this version.

Among the U.S. aircraft the Israelis reportedly were offering for sale, for example, were the F-5, which is not included in Israel's arsenal, and the F-4, the old workhorse of the Israeli Air Force that is now undergoing major refitting for a more powerful engine and improved electronics systems.

But beyond such technical considerations, specialists said that General Bar-Am and his alleged associates were scarcely the kind of agents the Israeli government would choose if it had sought to skirt the U.S. arms embargo against Iran.

"The authorities would not use Israelis directly, they would use an Israeli general, even retired, and they would not use that general," one specialist said.

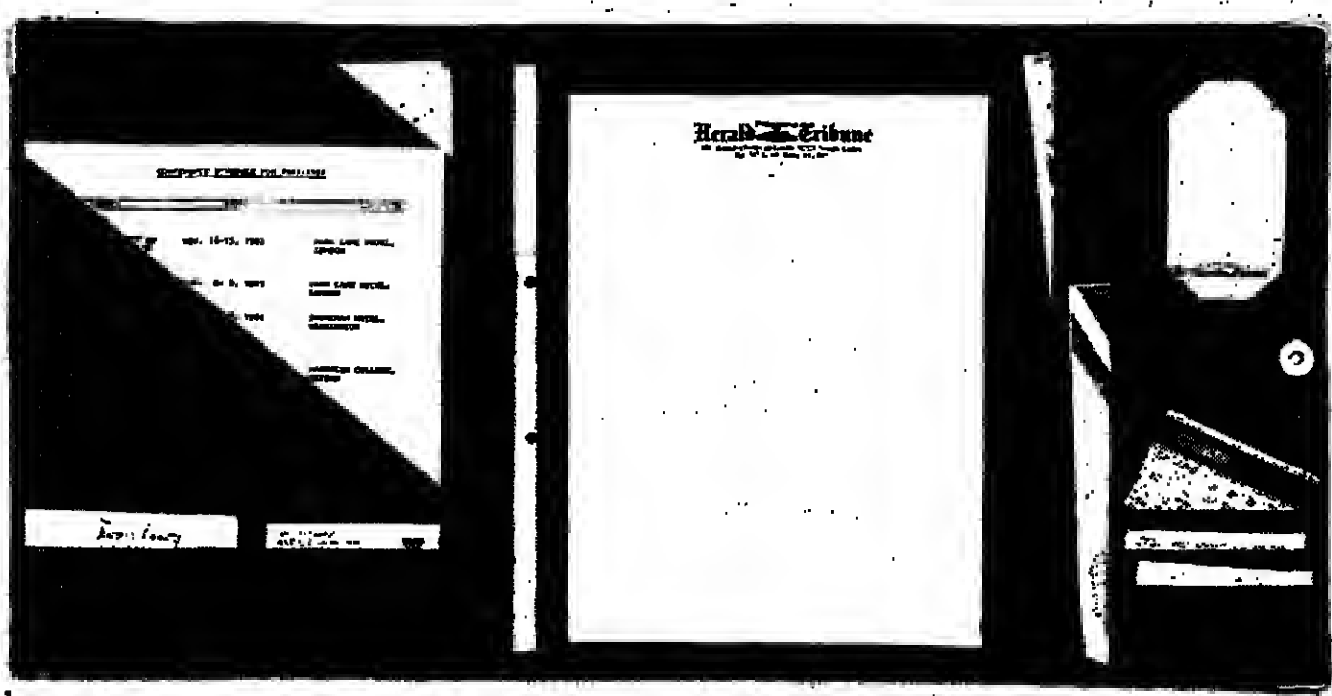
General Bar-Am, 52, a decorated 30-year army veteran and war hero, was disciplined in 1978 and denied a new government position for having provided weapons to unauthorized civilians rumored to be connected with the underworld. The weapons were privately held, but unlicensed.



Avraham Bar-Am

Along with about 1,000 other retired senior officers, General Bar-Am applied for and received an apparently routine Defense Ministry document authorizing his holders to prospect abroad for sales of Israeli arms. The document specifically banned participation by the holders in actual negotiations.

Negotiations involving Israel's biggest export earner are handled by Defense Ministry personnel who Israeli specialists insist would never have cooperated in such a plan.



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O'Connor Setting Her Own Course on High Court

By Al Kamen

Washington Post Service

WASHINGTON — "We'd written her off," said a pleasantly surprised news media lawyer, Bruce W. Sanford, upon hearing last week that Justice Sandra Day O'Connor had cast the deciding vote in favor of the press in a libel ruling.

Justice O'Connor's vote with the liberal wing of the U.S. Supreme Court also stunned conservatives, such as Michael McDonald, a lawyer with the American Legal Foundation. "I am surprised and disappointed," he said.

Last week's ruling, requiring plaintiffs in libel suits to assume the difficult burden of proving that a published story was false, was one of several this term in which Justice O'Connor abandoned her usual allies in the court's conservative wing and cast the pivotal vote to create a liberal majority on a major issue.

In Justice O'Connor's view, the press deserved substantial protection from libel suits, because "the First Amendment requires that we

protect some falsehood in order to protect speech that matters."

The dissenters, this time led by Justice John Paul Stevens, a centrist on the court, called her opinion "pennicins" and said it would give "the character assassin a license to defame."

Justice O'Connor's voting record this term, as the court approaches the halfway mark, hardly makes her a new member of the court's centrist bloc, much less its liberal wing.

But President Ronald Reagan's only appointee to the high court, who in her first years sided consistently with the most conservative of her colleagues, has become considerably less predictable.

The court is generally seen as split into three groups on controversial social issues, with Chief Justice Warren E. Burger and Justice O'Connor and William H. Rehnquist on the right and Justices William J. Brennan and Thurgood Marshall on the left. Justice Byron R. White, although lately increasingly conservative, along with Jus-



Sandra Day O'Connor

ices Stevens, Lewis F. Powell and Harry A. Blackmun, have formed "a floating center."

During her first term on the court in 1981-82, Justice O'Connor voted with Justice Rehnquist, a fellow Arizonan and longtime friend, 81.7 percent of the time, according to statistics compiled by the Harvard Law Review. That percentage rose in subsequent years.

So far this term, with nearly 60 of the court's 150 cases decided, she has sided with Justice Rehnquist just less than 80 percent of the time.

When she arrived at the court, Justice O'Connor agreed with liberal Justice William J. Brennan Jr. in less than half the court's rulings. This term they have found themselves in agreement about 60 percent of the time.

supported by several votes where Justice O'Connor abandoned conservatives when the court was closely divided on highly symbolic issues such as school prayer, federalism or libel.

Those votes indicate that Justice O'Connor, 56, is adopting a more independent, pragmatic, case-by-case conservatism. She appears as much or more concerned with the process used to reach a result than the particular result reached.

Justice O'Connor backed the liberals on the losing side of a case involving the power of the military to enforce strict dress codes—in this instance whether the air force could deny an Orthodox Jewish captain's request to wear a yarmulke, or skullcap, while in uniform.

The 5-to-4 majority, in an opinion by Justice Rehnquist, said the judiciary should as a general rule defer to the military's "professional judgment," and the air force decision not to permit the yarmulke overrode the captain's claims to a First Amendment right to freedom of religion.

Justice O'Connor, in a dissent, said the "need for military discipline" is "unquestionably" important, but the military is still subject to constitutional constraints.

Justice O'Connor's change is not as dramatic as some justices have undergone. Justice Blackmun, now a centrist, began his tenure frequently siding with Justice Burger, a member of the court's right wing.

Still, her shift is quite evident to some observers, such as John E. Frank, a law professor and court expert from Justice O'Connor's home town of Phoenix.

"I have been predicting this about the end of five years, and she's flying off on her own," Frank said.



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Remote, Suharto Rules With Sultan's Air

By Barbara Crosscrite... JAKARTA — Of all the heads of friendly governments...



President Suharto

Indonesian leader formed his political and social instincts early, and they have remained fixed...

He succeeded President Sukarno in early 1967 to become the second president of independent Indonesia...

Oleg Tumanov at his press conference... Oleg Tumanov...

Fired Filipino Governor Calls Off Armed Backers

MANILA — Hundreds of armed followers of a deposed governor loyal to former President Ferdinand E. Marcos...

Mrs. Aquino assumed the presidency when Mr. Marcos, faced by a military and civilian revolt, fled Malacanang Palace...

"I thank Mr. Reagan for saying the Filipino people have spoken," Mrs. Aquino said Monday...

In a movement backed by Roman Catholic clergy, business leaders and ultimately by units of the Philippine military...

Damage in U.S.

Rather than accounts and letters which suggest they intended to... damage in U.S.

Indonesia Bans Journalists

APOR — The Indonesian government refused to grant visas to 12 overseas journalists...

Own Course on High

Senator Dan O'Connor... Own Course on High

Reactor Is Damaged

Radioactivity on his... Reactor Is Damaged

of the Union of Concerned Scientists, an anti-nuclear group...

Hotel Furama Inter-Continental advertisement with text: In Hong Kong we are in the Central Business District. And yet just minutes from Kowloon. You should be, too.

Swissair advertisement featuring an image of a Swissair aircraft and text: Maybe it isn't that important what class you fly. But rather which airline you choose.

For Many Americans, Europe Is Becoming a Bunker in the Shadow of Terrorism

By E.J. Dionne Jr.
New York Times Service

ROME — Americans living in Europe have become accustomed to a lot of things in the last two weeks. They include mile-long lines outside military bases while cars are checked for bombs; soldiers, some wielding automatic weapons, riding with children on school buses; and U.S. government buildings surrounded by old drain pipes, broken-down garbage bins or anything bulky enough to deter car-bomb attacks.

Old Glory waves in fewer places than it used to; many American Legion halls and American churches and schools have decided it is just too dangerous to show the colors.

At Rhein-Main Air Base near Frankfurt, a U.S. soldier sits in a turret beneath a sign that reads: "Welcome to Rhein-Main: The Gateway to Europe." He points a machine gun straight at all comers.

But what may have changed the most are the pictures the children draw in school.

Thomas F. Mica, a child psychologist at the U.S. Army Hospital in West Berlin, told the military newspaper Stars and Stripes that in many drawings these days,

children depict their fathers "standing between the child and a monster-like creature."

Mr. Mica added, "Dad is always smaller."

Two weeks after the U.S. raid on Libya and the spate of terrorist attacks that followed, tens of thousands of Americans abroad have altered their habits while wondering how much effect the changes will have.

The uncertainty has bred a sharp division of opinion among Americans living in Europe.

Many believe that the changes are essential and that the threat is real. Vicky Tiel, a fashion designer in Paris, will not take her two boys to the McDonald's restaurant. In Rome, people accustomed to cashing their checks at the American Express office in the Piazza di Spagna go elsewhere.

And the listing of abandoned events in the city sounds like a radio broadcast in a New England town paralyzed by a blizzard: The American Club of Rome dance, canceled; the Marymount school dance, canceled; the U.S.O. fund-raiser, canceled; the St. George's school bazaar, canceled.

Yet there are also a large number of Americans in Europe who question whether the scare is simply a form

of mass hysteria, the fear being far greater than the threat.

"Look at the number of persons killed by terrorists compared with those who stay at home and get killed in auto accidents," said James West, a retired American diplomat in Paris.

His words are echoed across Europe, and the skeptics have come up with an endless list of comparisons. Fewer Americans, they note, have been killed by terrorists in

Europe than by buses, handguns, muggers, fires, smoking.

Accompanying this view is the insistence that to change one's life radically would only hand a victory to terrorists.

"I think fear and paranoia is exaggerated in the States," said Samuel Okrosken, a tax lawyer in Paris. "People shouldn't be so afraid. That's feeding what terrorism is all about."

"I'm not a prisoner of fear," he added. "So Americans are not coming to Paris this year? We'll have it all to ourselves."

"You don't change your life to suit the terrorist," said Bert Schader, an American who has lived in Spain for 25 years. "I refuse to. It's a matter of principle."

"There's almost a bit of Rambo-Reagan new patriotism in it," an American living in West Germany said of some Americans' reaction there. "They're not willing to let this madman Qadhafi scare them out of here."

It is perhaps in West Berlin, the scene of the disco bombing that killed an American serviceman and a Turkish woman, where the effect of the new fear has been the greatest.

"Berlin was one of the more lax places," said an American woman there. "There was this false sense of security from being an island in the middle of East Germany."

No longer. And the authorities report that members of the Libyan People's Boream in East Berlin have come across in cars with diplomatic plates with numbers that identify them as being from other countries, or numbers that are not assigned to any country.

Fred Canada is a 32-year-old black playwright from Greensboro, North Carolina, who now lives two blocks from La Belle, the disco that was bombed on April 5.

"I don't feel I have to worry so much about being attacked by Arabs as much as I do from being attacked by hostile Germans, who are angry at Americans," he said.

Mr. Canada writes a letter to his father in which he spoke of his encounters with the many Arabs who live in Berlin.

"What can you do?" he asked. "Try to smile? Try to stay away from places they might strike? I pass them on the street, they look at me, and their eyes are asking if I'm Arabic, African or the American enemy?"

Experts Say Terrorists' Closest Link May Be Hatred

By Thomas L. Friedman
New York Times Service

JERUSALEM — The recent spate of terrorist attacks against American and other victims has left in its wake a long trail of casualties and question marks.

What groups or states are behind these terrorist bombings? How are the attackers recruited? How are the killings or bombings organized? And is this terrorism motivated by political grievances, or has it simply become another tool of international relations for some states?

The evidence needed for concise answers remains sketchy. But interviews in recent months with Arab, American and European diplomats, as well as American, Arab and Israeli security experts, provide some clues about the terrorist forces that the United States and many of its allies are facing.

In the view of many of these sources, the actual links between various radical Arab and Iranian groups and state intelligence groups appear to be very loose.

The bonds that unite these extremist organizations tend to be more ideological than operational, the sources say. That is, groups occasionally gather for what the experts describe as joint "pep rallies," but when it comes to operations in the field they usually prefer to act separately.

The state intelligence organizations, such as those of Libya, Syria or Iran — which are believed to be behind many of the recent attacks on American and Israeli targets — dislike cooperating on an operational level, many terrorism experts believe.

"Intelligence organizations are by nature competitive, secretive and afraid of leakage of information or penetration from the outside," said an Israeli official familiar with the subject.

"I think it is very unlikely that Libyan intelligence would ever do a joint operation with Syrian intelligence," he said. "Things just don't work that way. No one wants the other guy to know what he has. No one can be sure the other guy hasn't been penetrated. They prefer to rely on themselves."

The radical Arab and Iranian states and organizations give the impression of being linked, however, by meeting to show ideological solidarity.

One example is the conference in Tripoli, Libya, in January, which brought together 22 Palestinian, Moslem, Communist and Arab groups under the umbrella of the "Pan-Arab Leadership of Arab Revolutionary Forces." They declared that they were setting up a "revolutionary strike force," complete with suicide squads, to "confront American imperialism and Israel."

Behind the false names, there appear to be at least four basic methods being used to organize attacks.

The first is exemplified by Sabri el-Banna, alias Abu Nidal. While he has become known for terrorist actions against Westerners, he earned his reputation in the 1970s by killing Arab and Palestinian officials on behalf of one Arab government or another.

In the beginning, Arab diplomats say, he worked for Iraq, killing Syrians and Palestinian supporters of Yasser Arafat, the chairman of the Palestine Liberation Organization.

About 1980, however, after Iraq started fighting Iran and moved closer to the conservative Arab oil nations, Abu Nidal began to work for Syria, Palestinian sources say. Under Syrian sponsorship, he is believed to have carried out attacks on Jordanian diplomats and airline

offices, as well as the slaying of moderate Palestinian officials, such as Issam Sartawi, who was shot in Lisbon in 1983. After Syria and Jordan began to improve ties, Abu Nidal apparently shifted most of his headquarters to Libya, from which he now operates.

Reagan administration officials have accused the government of Colonel Moamer Qadhafi of helping to support and train the Abu Nidal group in Libya. In addition, the Libyans have had close ties with other radical groups and are believed to have asked for their support in terrorist attacks against American targets in Europe.

Although little is known about the activities of Abu Nidal, it appears that the group is hired by the Libyans, Syrians or Iraqis to carry out specific acts, according to the terrorism experts.

China's ties to operations can be derived from testimony given at the trial in London of three Abu Nidal followers, who tried to kill the Israeli ambassador to Britain, Shlomo Argov, in June 1982.

Two of them, Marwan al-Banna and Ghassem Said, were in their early 20s and had been trained in Lebanon for little more than a month, learning basic weapons handling, communications and surveillance.

The first was sent to London in late 1979 and early 1980 as "sleeper agents." They posed as students studying English and spent their time gathering intelligence about Jewish, American and Israeli organizations.

They were activated only in May 1982, when a third agent, Rusan Nayef, obtained weapons from the Iraqi Embassy in London and was told by a fourth unidentified agent, possibly from Iraq, to prepare for an attack on either Israel's embassy or ambassador, according to trial testimony. Only on the morning of June 3, the day of the attack, did they receive instructions over the phone from the fourth man as to where and how to shoot Mr. Argov.

Abu Nidal is known among Palestinians for recruiting students. According to Israeli and Arab

sources, he is highly selective, preferring people with family or hometown connections to someone already in his organization so as to prevent penetration by agents.

For example, Mr. Banna is a distant relative of Abu Nidal, according to Israeli sources. Mr. Nayef, they said, comes from Irbid, the same region in northern Jordan as the two brothers suspected of responsibility for the recent West Berlin discotheque and El Al incidents.

The Abu Nidal technique seemed clearly in evidence in the El Al incident in London, where the alleged key plotter, Nezar Hindawi, appears to have been in London for several years, cultivating a relationship with the young Irish woman whom he exploited at the night time on commands from above.

Israeli sources said they believed that the highly advanced explosive Mr. Hindawi placed in his fiancée's suitcase was assembled in the Syrian Embassy in London.

A second mode of operation was used in the bombing of the American Embassy in Beirut on April 18, 1983. In that case, according to the Lebanese police, a collection of almost 20 Palestinians and Lebanese were paid by one or two "cutouts" to carry out the bombing. Cutouts are persons whose identities were unknown to those recruited but who were presumed to have been working for either Syria or a Palestinian intelligence organization.

Each person was paid to do only one small task — surveillance or transporting explosives, delivering messages or arranging for a car — and few appear to have known one another or the ultimate target, the Lebanese police said.

The third mode of operations seemed to be exemplified by the simultaneous attacks on the Rome and Vienna airports in December,



Rome's Leonardo da Vinci airport after the Dec. 27 attack linked to the Abu Nidal group.

which were attributed by Arab sources to Abu Nidal on contract from Libya. Under this method, a small band of Palestinian recruits living in Lebanon are recruited, given some very quick basic training and then sent to Europe for a single mission.

The fourth mode of attack was exemplified by the hijacking of the Italian cruise ship Achille Lauro in October. This is when a Palestinian guerrilla group, in this case the Palestine Liberation Front, uses primarily its own means and personnel to carry out a terrorist operation on relatively short notice. But this once-popular method has receded since the PLO lost its independent base of operation in Beirut in the summer of 1982.

The Arab, Israeli and Western sources say that these techniques, except in the last case, are striking because they are so difficult to trace and leave no easy "return address" to retaliate against. They often involve people who are not connected beforehand, who barely know for whom they are working

and who scatter when the operation is over.

The ultimate timing and targets are usually determined not by the assailants, the experts say, but by the state intelligence organizations that direct them through their local embassies or safe houses. This makes sorting out the motivations and root causes of terrorism that much more complex.

To be sure, some terrorist actions have social roots in the political grievances of certain populations — terrorism by Palestinian organizations, for example.

At the same time, however, experience also suggests that any progress in Arab-Israeli negotiations will be accompanied by more terrorism, since a significant portion of terrorism today is being carried out by Palestinians or Arab governments opposed to any peaceful settlement with Israel.

It has become equally clear, the experts say, that many terrorist actions are also staged as a form of inexpensive warfare. It has become a kind of diplomacy by other

means, they say — as cheap an instrument of international relations as the automatic pouch — and exploits the political grievances of certain groups for the narrow interests of particular states.

For example, Arab and Israeli political analysts say, the Israeli ambassador to London was shot not simply to kill an Israeli but because Iraq apparently hoped it would prompt Israel to start a war in Lebanon that would hurt Syria.

The Achille Lauro, many of these sources believe, was attacked in part to embarrass Mr. Arafat at a time when he might have attempted to negotiate the United States. The hijacking of the Egypt Air flight to Malta in November, they say, was probably organized by Libya to embarrass Egypt.

In other words, the root causes of a significant portion of today's terrorism seem to lie not in any grievances that can be addressed, but in the intrigues, power struggles, jealousies and machinations that are part of the web of international relations.

U.S. Envoy Reassures Americans in France

PARIS — Joe M. Rodgers, the U.S. ambassador to Paris, issued a statement Monday aimed at Americans who might be worried about security in France following the U.S. bombing of Libya.

Saying that a higher-than-usual risk exists, Mr. Rodgers emphasized that the United States has issued no guidelines that would lead Americans to forego normal activities in France. He said he was confident that the French government was acting to "insure the security of all Americans and American institutions."

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Tiffany's London Move
nals Expansive Mood

YORK — The Fifth Avenue retailing institution Tiffany's, which dates back to 1837, will open a London store in September on Old Bond Street, the city's premier shopping district.

BE DORSEY

As Tiffany's moves into London, the company is being considered in Rome, Milan and Paris, and earlier in an interview, said five years, we hope to have a substantial presence in Europe.

The shift in ownership was viewed as a major effort to reach more affluent customers. "Our goal is to guide Tiffany into a new era," Chaney said after the purchase.

Chaney said earlier this month, "The tide turned in the last decade."

Famous Tiffany customers have included J.P. Morgan, who ordered gold and silver services, and Diamond Jim Brady, who dropped in regularly to buy jewelry.

In more recent days, the "Breakfast at Tiffany's" magic, as depicted in the film with Audrey Hepburn, still seems to work.

Chaney said that even over the years, he has seen a lot of the lower-class customers since taking over the store, but he has seen a lot of the upper-class customers since taking over the store.

collections are created by star designers such as Jean Schlumberger, Paloma Picasso and Elsa Peretti.

As Chaney noted, though, silver is still a Tiffany silver fill, a history of Tiffany silver fills a book by Charles H. Carpenter Jr. and Mary Grace Carpenter.

The company has gone through some ups and downs in recent years. In 1979 it was sold to Avon, which tried to go downmarket and popularize its traditional silver, jewelry and chinaware by offering lower-priced items.

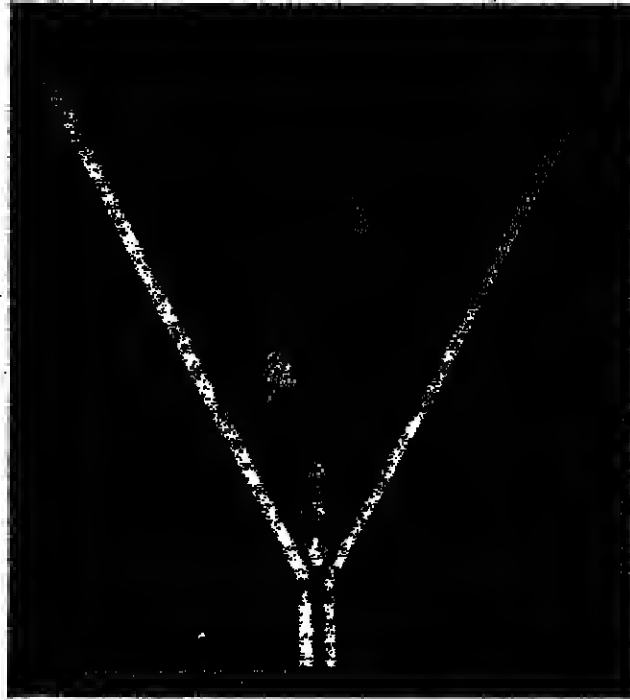
The drawing card is luxury and the main target the carriage trade. "I think people today are much more interested in quality," Chaney said earlier this month.

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One of Gene Moore's window displays at Tiffany's.

Walpurgisnacht Now:
Broom-Riding Contests

By Susan J. Smith

Modern celebrations on the Brocken date from at least 1899, when a rail line was built to a hotel and observation point atop the mountain.

Bad Grund began its Walpurgisnacht celebrations in 1950. The party starts in the afternoon, when children compete in broom-riding competitions and dance a "witches' polka."

Since at least the 1600s, the Brocken, which at 3,768 feet (1,149 meters) is the highest mountain in the Harz range, has been famous as a gathering place for witches on May Eve.

Von Rath said that until the early 1960s revelers burned toy witches at the stake. But "first the churches complained about the witch-burning, then the emancipated women complained," he said.

On a normal day, traffic at Tiffany's New York store averages 4,000 people, Chaney said. At Christmas, it peaks at more than 15,000 a day.

Snooker's Hooking TV Viewers Again

By Henry Pleasants

LONDON — Sheffield, England, is to snooker what Wimbledon is to tennis or the Masters at Augusta, Georgia, is to golf. Until May 4, BBC-TV is running 100-odd hours of snooker from Sheffield's Crucible Theatre, with 32 players competing for the world championship.

Snooker, as one of many variants of pocket billiards, has been around for more than a century, having originated with British officers in India as a way of whiling away the time and winning or losing a quid or two on side bets.

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the opponent a difficult shot, at best "smoked," i.e., without direct access to a legitimate target. It is not just potting. It is a game of tactics.

And of patience, steadiness, judgment — and character. One of the Canadian competitors at Sheffield, ponderous, lager-drinking Bill Werbenik, has gone so far as to say: "The game is 70 percent character and 30 percent ability."

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joins the player in a gasp of despair and disbelief when an easy shot goes wrong and applauds when a difficult shot goes right. A snooker table is not unlike a putting green, but the green in golf is not the whole playing field. The snooker table is.

Steve Davis, already a three-time world champion, and leading the money table for the tournament season at £206,750, is favored to win, but he could just as easily be out of it by the time this appears; the 1985 champion, the Ulsterman Dennis Taylor, this year became the fourth world champion to go out in the first round in the year following his championship win.

Among the 16 seeded players there are, in addition to the defending Taylor, four former world champions: the Irishman Alex Higgins, the Welshman Terry Griffiths and Ray Reardon (a six-time winner, now 53 and rather highly seeded at No. 6) and the Canadian Thorburn. Another former champion, John Spencer, 50, is among the qualifiers (from a field of 92).

The age span among the contestants is notable, ranging from a Scottish qualifier (and Scottish national champion), Stephen Hendry, 17, to Eddie Charlton, former Australian champion, 56 (an all-round athlete who carried the torch to open the Olympic Games in Melbourne in 1956).

Age is no bar to playing and enjoying snooker, just as it is no bar to playing and enjoying golf or tennis, but, as in other games, at the highest competitive level the sustained test of stamina, nerve, concentration and eyesight begin to take their toll.

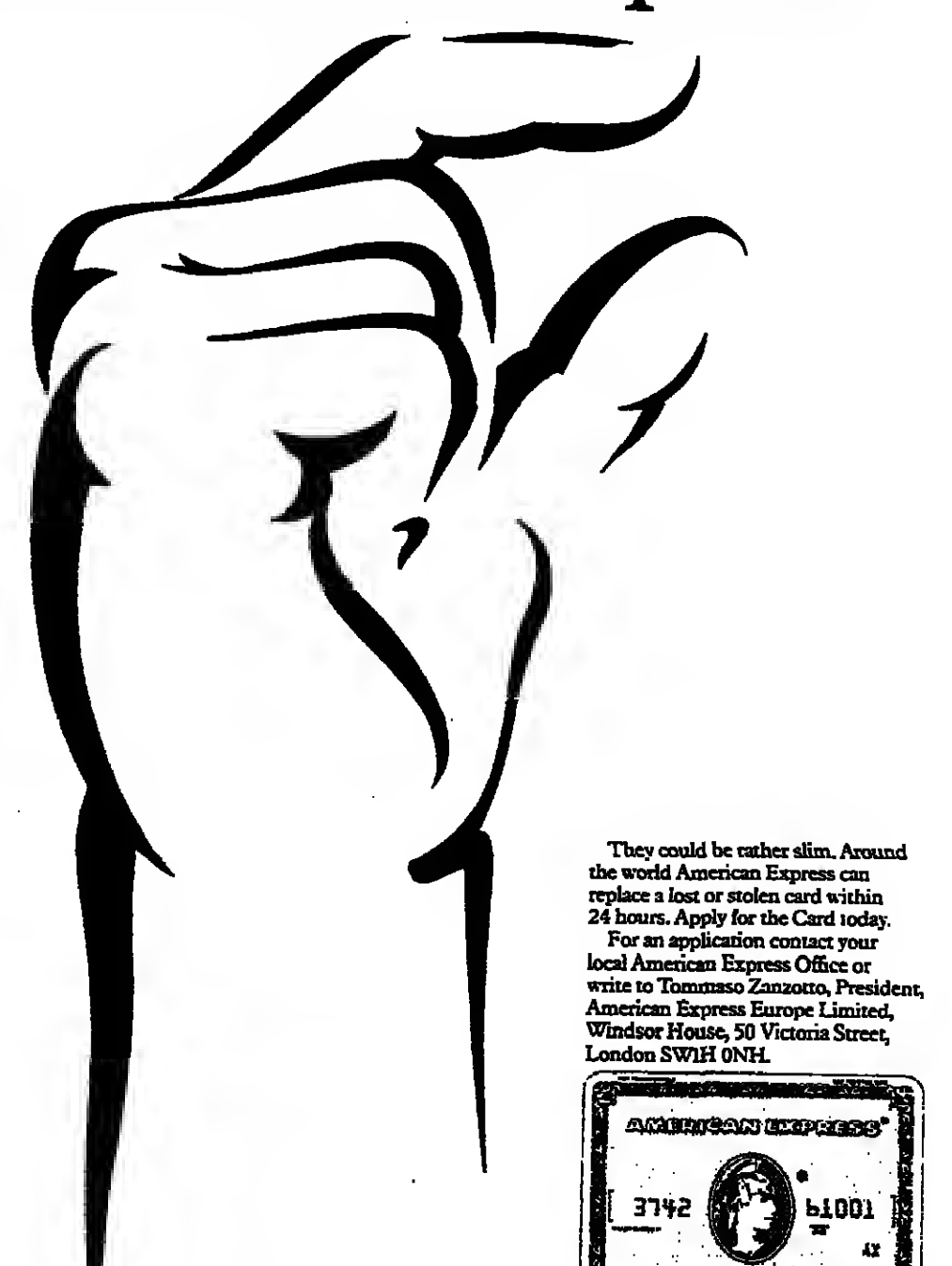
It would have been a pleasure to see genial Fred Davis (no relation to Steve) back at the table at Sheffield. He won the world title eight times, and would dearly have liked to win it again, but he lost in the fourth qualifying round. He is 73.

Speaking of Fred Davis, his even more famous brother Joe won the title for 20 years running between the wars. When he won the first, in 1927, he collected 6 pounds, 10 shillings. This year's winner will pocket £70,000.

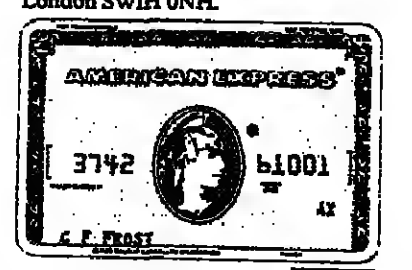
Henry Pleasants, a London-based writer who specializes in music and opera, is also a former billiards reporter for the Philadelphia Evening Bulletin.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

A Chance for Mr. Duarte

A momentous criminal case in El Salvador may finally give President José Napoleón Duarte a lift he badly needs.

over the last three years. News of the arrests stirred a storm among extreme rightists, who have long treated an army uniform as a license to kill, Americans no less than Salvadorans.

Trying to Harpoon Congress

The Reagan administration doesn't want to anger Japan by reducing the amount of fish it may take from American waters.

in 1985. Japan vowed to continue whaling anyway, and the Commerce Department — which has imposed the sanctions against the Soviet Union — cut a deal exempting Japan.

Other Opinion

Useful Delay on 'Contra' Vote

President Ronald Reagan's proposal to send military aid to Nicaragua's "contra" rebels has bogged down in partisan wrangling and parliamentary shenanigans.

Something had to be done. The European foreign ministers did it, producing a broad plan of concerted action which has seen Libyans packing their bags and going back home.

The critics of Ronald Reagan's raid on Libya appear to have been right. It has spawned new terrorist attacks on Americans and others elsewhere.

This time, though, we should be sure to finish the job — by removing, one way or another, one of the masterminds of terrorism, Colonel Moammar Qadhafi, the Libyan leader.

Colonel Qadhafi has declared war on us and if it's war he wants, the United States and its allies should give it to him.

The Character of the King

For a time after the abdication in 1936 there were some in Britain, and many more in America, of which the Duchess of Windsor was a citizen, who held to the belief that this was a love story tragically thrown off course by prelates and premiers.

U.S. Allies' Passivity Underscores NATO Rift

By Charles Krauthammer

WASHINGTON—What will we remember a year from now about the raid on Libya? Caspar Weinberger's line: that sickle-shaped line the defense secretary drew on the night of the raid tracing the flight path of the U.S. planes that struck Libya.

Nor the mendacious rationalizations that accompany European complicity. Former French foreign minister Michel Jobat, explaining France's refusal to give the U.S. planes overflight rights, gave a characteristically French response.

solely on the grounds of deterrence, on whether "it works." There is the question of justice. America defended the raid by appeal to Article 51 of the United Nations Charter, which permits acts of self-defense.

by demanding that we first "consult with the allies." It is now clear that this is merely a way of advocating inaction without appearing to do so.

Cheaper Oil Is Not Good For Europe

By David M. Sloan

WASHINGTON—With oil exports down 15 percent because of production problems, the Soviet Union now faces a loss of \$500 million a year for each \$1 drop in the price of a barrel of oil.

Those who are gladdened by that news should not rejoice too quickly. Falling oil prices could also prevent the timely development of Norway's huge Troll gas field.

One of the principal reasons advanced for lifting sanctions in November 1982 was a European promise to participate in an urgent study, primarily through the International Energy Agency, on the twin questions of Western dependence on energy imports from the Soviet Union and of Western energy alternatives to Soviet gas.

Based on the IEA study, Western ministers agreed in May 1983 not only to avoid "undue dependence" on any one source of gas, but also to obtain future supplies from "new" sources such as the North Sea.

Price competitiveness has always been the chief roadblock to finding alternatives to Soviet gas. One supplier, Algeria, has not shown enough flexibility on price and other contract terms; other possible alternatives, including gas from Nigeria and Qatar, would require billions of dollars to develop and are far from Europe.

Unwillingness to pay a security premium for Troll would signal that a myopic Europe has not learned a key lesson of the energy price shocks of the 1970s: Underinvestment in indigenous resource development can translate into dangerous dependence on insecure sources of supply.

The writer, who is on sabbatical leave from the U.S. Foreign Service, is a visiting fellow at the American Enterprise Institute in Washington. He contributed this column to the International Herald Tribune.

LETTERS

Capital and Corruption

It is refreshing to see that capital flight has been recognized as perhaps the main culprit in causing the critical levels of debt in many Third World countries, notably Mexico. It would now, especially in light of the Marcos revelations, be interesting to know what portion of this capital flight is due to corruption.

Case of Double Standards

I am a supporter of the Austrian Socialist Party, but I have to say that the double standard in which the World Jewish Congress has been dealing with the campaign against Kurt Waldheim in his alleged Nazi war crimes, which have yet not been substantiated, is infuriating.



Waging Wars in the Dark Is Fast Becoming a Habit

By Barbara Koepfel

NEW YORK—Wars used to have war correspondents. Those were the covered wars fought by the likes of the United States and Britain.

Salvador, the military attacks them. Unfortunately, such practices seem to be catching. The Reagan administration put the Grenada invasion off limits and called in the press only when the shooting was over.

that the \$100 million it sought in aid to the contras was denied. Later it was learned that the Sandinists' raid was on a modest scale similar to countless previous raids.

Hirohito: Japan Lifts the Chrysanthemum Curtain

By John Burgess

TOKYO—The Japanese hardly ever see Emperor Hirohito. It is only about 15 times a year that the gates of the Imperial Palace in central Tokyo open and a custom Nissan Royal limousine rolls across the moat to carry the emperor and his ceremonial sword and stone toward some ritual of life on the throne: opening parliament or greeting a state visitor.

job of somehow personifying everything Japanese. In the war, he was the young commander-in-chief, weighed down in braids. In the post-war period he was the humble supplicant, calling his hand on General Douglas MacArthur. Today, he is the aging workaholic.

later, he still kept it as a souvenir. "My life up until then was like that of a bird in a cage," the emperor said in 1970, in one of his few remarks on his personal life.

This week, the emperor will get some unusual scrutiny and acclaim here. The occasion is the official celebration of his 60th year on the throne, which the government is preparing to celebrate in grand fashion at a sumo stadium on his birthday Tuesday. A deluge of books, magazines and television programs are appearing that look back over the long and tumultuous reign known as Showa, the era of enlightened peace.

He is nearsighted and walks with slight shuffle. He truly seems happiest at the microscope in the palace laboratory where he has built a world reputation in the study of the marine micro-organisms, hydrozoa. He once said that he dreamed of escaping being emperor for just a day. But it has remained a dream.

United States was discussed, Hirohito stunned his ministers by reading a poem that asked, "Why then do the winds and waves of strife disrupt the peace between us?" When war came, he refused to sign the declaration until the following words had been inserted: "It has been truly marvellous and far from our wishes that our Empire has now been brought to cross swords with America and Britain."

FROM OUR APRIL 29 PAGES, 75 AND 50 YEARS AGO

1911: Toward Revolution in China? HONG KONG—The Viceroy's yamen in Canton has been partially burned by revolutionaries. Many casualties resulted, but the Viceroy is safe. Fifty of the participants in the outrage have been arrested. Admiral Li personally led the defense of the yamen. The members of the mob were armed with revolvers. Each man wore a white band around his forehead, signifying that he was an anti-Manchu. The mob was dispersed. The utmost vigilance is now being maintained in Canton. Martial law has been proclaimed. The outbreak owes its origin to Singapore, where many adherents of Sun Yat-sen are reported to have arrived recently. The time of the uprising is opportune. Residents are crying out against burdensome taxation. The whole of Southern China is teeming with agents of revolution.

1936: Rains Come to U.S. Dust Bowl KANSAS CITY—Thousands of farmers and townspeople throughout the Midwest dust bowl knelt in the mud and offered prayers of thanksgiving for the best rainfall the parched region has received in more than two years. Promise of further downpours boosted farmers' hopes of a good wheat crop. Pastures and tilled fields in regions of Kansas, Texas and Oklahoma, which only a few days ago lay parched and colorless, now are green. Inhabitants ran from their homes, exulting over the rain. The rains, beginning [April 26] in western Kansas, covered a wide area. They assumed almost cloudburst proportions in southern Oklahoma, causing the Washita River to rise to flood stage. R.L. Throckmorton, agronomist of Kansas State College, estimated the value of the rains at "several million dollars."

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

These are extracts from a comment for The Washington Post. The writer is The Post's Tokyo correspondent.

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THE GOOD PEOPLE OF PARIS

Following is the second of a series written by G. Y. Rheims. The first part appeared April 26.

The tone of the Faubourg has changed very little since the 16th century. The Duchess de Sabran-Pontevès recounts the story of an American lady who moved into the quarter in the 1920s and tried to go native by flying the tricolor flag from her window on Bastille Day. Her neighbors made it clear to her that she had the wrong flag and the wrong day—that, in short, the Faubourg Saint-Germain favored the pale blue and white banner of the monarchy, appropriate for the Feast Day of Joan of Arc. Flying flags from windows is not done much anymore in Paris, but the Faubourg's colors haven't changed.

The Faubourg Saint-Germain used to be a neighborhood of town houses, many of which are still standing despite the Second Empire mischief of the bourgeois city planner Baron Haussmann. A cascade of inheritances, however, has broken almost all the town houses into apartments. In the past it was Good to keep these flats rather worn-looking to match the furniture's patina, but with money coming into fashion, the Good have taken to redecorating their apartments. The Haute Epoque and Louis XVI heirlooms have been given a brighter, more eclectic environment, with lots of juux marbre and bold fabrics.

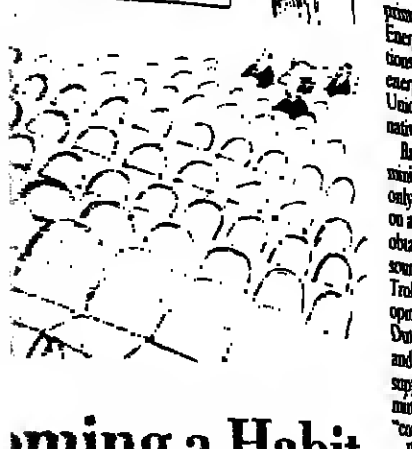
It is Good to use a decorator these days, but it is not Good to emphasize the fact. Instead one says: "I had help from a friend." These "friends" are not often the celebrities whose work is displayed in coffee-table magazines. The Good decorators are self-effacing and know how to make the best of inherited pieces. These include Henri Samuel, Jacques Simon, Jean Dive or Jérôme Vital-Durand. For one's château, there is

Please turn page



The Countess Hubert d'Ornano, here in her Quai d'Orsay apartment, has popularized buffet dining in Paris.

ESTRISM



coming a Habit

by demanding that we first "consult with the allies." It is now clear that this is merely a way of advocating inaction without appearing to do so. We know that U.S. allies are going to demand that American allies lead (as in Central America) or act in support with us (as in Europe) to guarantee American paralytic. It is in the Grenada today had we enlisted its fate to say, Condora.

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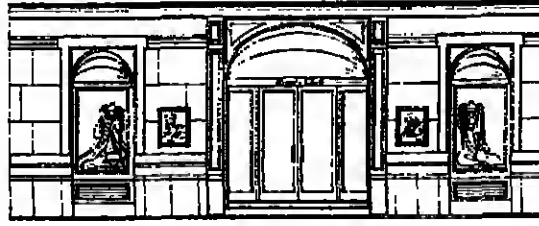
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THE GOOD PEOPLE

Continued from opening page

the Count Robert D'Ario, who can be reached at his own château.

Although the 35-room apartments in vogue among *les gens bien* a half century ago are now completely out, it is still important to have a lot of wasted space at home. Everyone needs the sort of coldly and sparsely furnished foyer where visitors once sat on hard chairs to await being admitted to the boudoir of the *maîtresse de maison*. The opening moments of visiting a Good person still seem a bit like going to the doctor, but the Good person's servant (male) who answers the door will now conduct one directly to the living room and offer a drink while one waits.

Another holdover from the past still going strong today is the Good version of the big party. When the Socialists took power—a trauma the Good euphemistically refer to as "the Events"—people stopped partying in grand style for fear of being singled out for the tumbrel of the tax collector. Events or no, however, young ladies still have to be introduced into society with a decent amount of brio. At the Cercle Interallié, the rhythm of debutante parties has accelerated again (though more and more often several debs come out together at the same party).

Good People have also begun opening their châteaux to big parties again. And there is a peculiar new habit of renting the

Académie Française, a powerful industrialist, an American who has "led an exceptional life" and one or two persons who can be presented as "from the Institute." Which institute need not be spelled out. The French blindly respect institutes and foundations, and nothing is more Good than to create a public-serving foundation in one's own name.

The most important change in Good dining habits has been the growing popularity of buffets. This bit of trailblazing is credited to the Countess Hubert d'Ornano, a staunch advocate of fork food for years. Her innovation was a sensible complement to the decline of the Good dining room.

More and more frequently these days the Good People have an array of living rooms in which tables can be temporarily set up for dining. And more and more often, too, they are giving dinners in their kitchens. The anti-dining room movement harkens back to the practice of ancient lords who would temporarily set up tables in their great halls for banquets. The revival of this practice can be attributed to the Baron Philippe de Rothschild and his late American wife, Pauline, who always preferred initiating a trend to following one. Each night guests at the Château Mouton-Rothschild would break bread in a different part of the long salon—from the near end, beside the fireplace, all



Laure de Fels handles public relations for the renowned jewelry firm Boucheron.

the kitchen. (One can sniff out a non-Good hostess by her chintiness with the food.) The dishes always look simple and homey. Nothing is more un-Good than over-fancy food. Even if the hostess slips in a few dishes from Lenôtre or Dalloyau, the Good caterers, they must look home-made. Lenôtre and Dalloyau are aware of this.

After a movie *les gens bien* will eat at Tong Yen, a Chinese restaurant in the rue Jean-Mermoz (Tan Dinh, in the rue de Verneuil is the Good Oriental local, but Tong Yen is close to the theaters of the Champs-Élysées.) On the maid's night off they also like to go to the latest Italian place (currently Sormani, in the rue du Général Lanrezac).

It is not Good to spend a lot of money giving dinner parties at the expense-account gastronomic palaces. At times, however, this becomes necessary—when there are servant problems or when important American business connections are in town. It is very useful to be able to take one's American business friend on short notice to one of the star restaurants he couldn't get into because of the quota on American reservations. Yet with the folly over the celebrated cooks, even the Good cannot just walk into Lucas Carton or Taillevent and get a table. Thus a new barometer of Goodness has developed: the length of notice required to reserve a table from the stars. Raymond Barre is a leader by that measure—he needs only three days' notice to eat at Lucas Carton.

Lunchtime is the real restaurant time for the Good. Some, such as decorative fabric designer Manuel Canovas, organize lunches at home, but few Good People working hard as they now do, have time to lunch at home. Good women lunch with friends at the stylish restaurants, while Good men tend to do business lunching at the Traveller's Club, Laurent, the middle room known as the "omnibus" at Maxim's or a gastronomic palace. The stylishly Good places are, as always, the front



Fabric designer Manuel Canovas pauses in the Place Furstenberg near his Saint-Germain showroom.

Musée Galliera or the Musée Jacquemart-André for a *fête*. As for dinner parties, the Events never changed their frequency or importance. It is not whom one is seen with at lunch but in whose house one has dinner that matters in Paris. At a Parisian *dîner en ville*, though one may not edify one's mind, one will learn all the political truths that even the *Canard Enchaîné*, France's investigative newspaper, won't publish. Since no one at table is likely to take offense, one will also learn a lot about the sentimental lives of Socialist politicians. Most important, if one is sitting next to someone who has attended the gardening courses of the Princess Sturza at Varengeville in Normandy, one will pick up some gardening tips.

Whom one sits next to at a Good dinner is, of course, no accident. The formula a hostess uses still depends more on rank than conviviality, so that if one dines out almost every night of the week, as Good People do, one gets a pretty good chart of one's worth in the Good world. Less than two decades ago, this ranking was so important that a person who felt unjustly placed had the right to turn his plate upside down and refuse all food. But with the increasing use of round tables—where distance from the hostess is less blatant—there has been a general blurring of table protocol. For a dinner of solemn importance, however, a Good hostess will still call the protocol officer at the Foreign Ministry for counsel on place settings.

A Good combination of diners would include a member of the

the way to the far end, where Pauline had placed a Renaissance wooden horse, with a few nights off for dining in the library.

The eat-in kitchen is very recent and shows the pride Good women have taken recently in doing their own cooking. Service in the kitchen allows the lady to stay with her guests while she works at wonders inspired, often enough, by lessons from Marie-Blanche de Broglie. There are cooks among the Good women of Paris, such as Hélène de Morte-



Maxim's, a stylishly Good restaurant since the turn of the century.

mart, who rival the city's acclaimed chefs.

One will eat not only well but copiously among the Good—if one has no inhibitions about serving oneself seconds. There is as much on the platter when it is passed the second time as when it was first served, a holdover from the days when there were many more mouths to feed among the help in

part of Maxim's and of the Relais Plaza. Recently, the Hotel Ritz Espadon has regained the prestige it enjoyed in the 1960s, when Coco Chanel lunched just outside the door. On the Left Bank there is, of course, the Brasserie Lipp. As one tony devotee has put it: "At Lipp there are not just artists and intellectuals but often some Good People too."

ADVERTISING SECTION

PEOPLE

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—G.Y. Dr., -ky

STYLE

ECHOES OF FRANCE IN MANHATTAN INTERIORS

Some of the most striking new interiors have an international flavor drawn from a diversity of sources. It isn't surprising, for example, to learn that Frank Lloyd Wright's rigorous furniture designs have been reissued, or that

a new generation has rediscovered Jean Dunand's sleek French deco cabinets. Recently, AVENUE found three apartments in New York which, in the spirit of their residents, have been decorated à la française.

MAUD FRIZON

Maud Frizon gazes calmly out the window of her new Manhattan aerie 32 stories above the city. Its most extravagant feature, a wrap-around window that offers a panoramic view of Central Park and the reservoir, is something the French designer finds both soothing and liberating. "New

France is "to grow the business." Frizon and her husband, Gigi De Marco, head a \$40 million-a-year company, with headquarters in France and factories in Italy. She designs and he oversees the production of her elegantly offbeat shoes, luggage, handbags, scarves and sunglasses.



Maud Frizon sits atop Eugène Printz' wood and metal buffet. Jean Dunand designed the cabinet's patterned folding doors.

York is this for us—a view, a space," she exults. "When you wake up here on a foggy day, you really feel you are a bird."

Frizon admits it is no accident that the seductive curves and slick surfaces of their art deco

And a little more than a year ago, Frizon launched her perfume, bottled in a hand-blown crystal sphere.

Frizon's 20-room French country manor has been described as "lived in" and warmly informal, accommodating such disparities as Native American pottery from New Mexico, turn-of-the-century photographs by Frenchman Jacques Henri Lartigue and antique Italian silver. In New York her decorating is less eclectic and more disciplined.

The living room's pale coral walls serve as a quiet backdrop for Frizon's expanding collection of deco furniture, whose highlights include Jean Dunand's voluptuous lacquered dining table and his vase made of vertical copper bands. "I am attracted by Dunand's purity and the quality of his wood and lacquer," she says. "I've loved his work since I was a girl, but then I couldn't afford it." Scenes from Rudyard Kipling's *Jungle Book* animate one side of another Dunand work, a lofty, lacquered screen Frizon acquired in Italy.

Leather-upholstered Italian sofas lend weight to the room, and a grand piano stands solidly in a far corner, under the *Portrait of Madame M* by the Polish-born painter Tamara de Lempicka. Sold



Josef Lorenz's ivory and bronze dancers are poised on a green onyx base in Frizon's living room.

furniture and sculpture seem to emulate those of the Central Park reservoir. "I like to feel I am always behind water, that it is very close to me," she explains. "At Les Hautes Belles [Frizon's romantic



Frizon's modern-looking 15th-century Ferrarese *amatori* depict betrothed couples and were made as gifts from the bride to the groom.

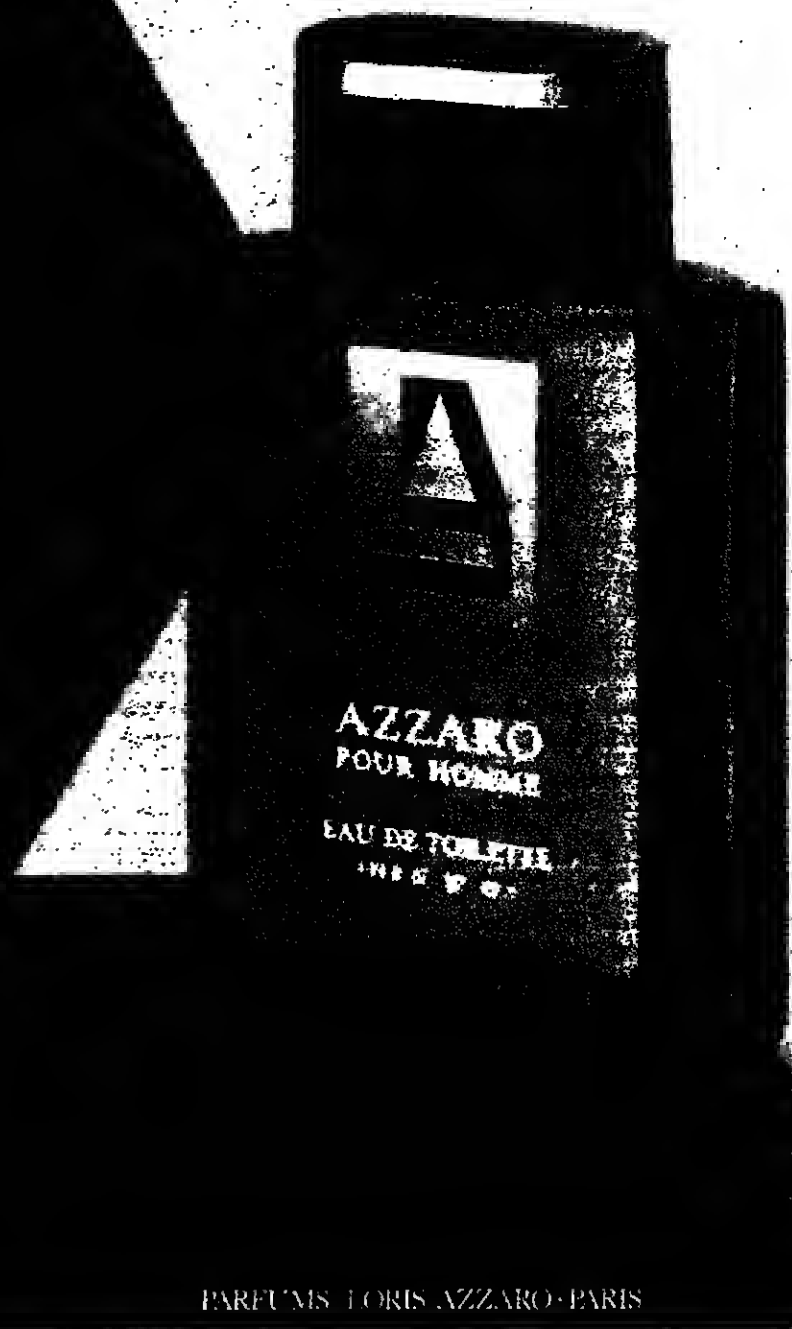
Loire Valley estate in France] we also have a lake."

Frizon moved to Manhattan partly for her children Caroline, 13, and Thomas, 11. "I want them to know life in America, and when they are older, to be free to choose." But she adds that the primary reason she divides her time between New York and

to Frizon by her friend Joel Grey, the piano is a source of constant pleasure (an hour's lesson each day, followed by 15 minutes of practice). "There are things I do here," she says, "that I've never succeeded in doing in France. I don't know why. It is something about this city..."

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STYLE

Continued from previous page

MAGDELEINE & JEAN-BAPTISTE CHAUMET

When Magdeleine and Jean-Baptiste Chaumet go home, they leave behind the luster of their Fifty-seventh Street jewelry salon, with its mock-ivory walls and stone facade. Home, a tidy Park Avenue apartment, is a subdued contrast to the Chaumets' New York headquarters, established just over a year ago.

It is also a nostalgic slice of

from that region and we went once a year," he recalls. "It was like camping—no electricity, no water." Jean-Baptiste pulls from the wall a likeness of Joachim Murat, Magdeleine's illustrious ancestor, the king of Naples and brother-in-law of Napoleon. "Murat was a little crazy," Jean-Baptiste comments good-humoredly. "He used to lead his cavalry



The Chaumets' engraving of a fully dressed Joachim Murat leading a fierce cavalry charge.

by their families about a dozen years ago and married in 1983) is a talisman. "I used it in my romantic period—that is, when I thought it was romantic to write with a silver pen," says Jean-Baptiste. "The problem was," he adds, laughing, "I also wrote my exams with it, and since I wrote slowly, I always finished last."

The Chaumets, both 28, find New York a bracing contrast to Paris. "New Yorkers love everything that's new: new music, new art, new technology, new people," claims Jean-Baptiste. The Chaumets share this hunger for novelty. They are not intimidated by cavernous downtown clubs like the Palladium, which Magdeleine breathlessly describes as "more than a disco—it's a show!"

The pair often lunch at Le Cirque, though they prefer the warmth of a bistro at night, meeting friends at Le Relais or La Goulue. Their companions are usually American, for, as Magdeleine points out, "if we wanted to meet more French people, we could have stayed in Paris."

Maintains Jean-Baptiste: "When you call people in New York, you must have something to say, and the reply is a definite yes or no." Parisians, he suggests, are less abrupt, but also less decisive. "Here, it is tough, not diplomatic, but more efficient."



Magdeleine and Jean-Baptiste Chaumet's Park Avenue apartment is a quiet refuge from their luxurious Fifty-seventh Street jewelry store.

France seen in the family photos and old prints that are liberally scattered throughout. "Each print means something," says Jean-Baptiste, who represents the tenth generation of the family-owned business. "Here, for example, is the Place Vendôme. Each member of our family has at least one Place Vendôme, because for our salon, that is home."

He possesses an engraving of Les Invalides because "that is where Magdeleine and I were married." A romantic print of Auvergne reminds him of boyhood vacations. "My mother is

charge bare-chested. But of course in this picture he wears a shirt—for prestige, you know."

Rare books also contribute warmth and intimacy to the apartment. Jean-Baptiste values his military maps, some of which date from the 17th and 18th centuries. Yet, opening a volume of the *Etiquette du Palais Imperial*, Napoleon's court protocol manual, he is quick to joke, "We don't observe the rules here."

The antique silver pen with which he wrote to Magdeleine during their leisurely courtship (the Chaumets were introduced

LAURA MENTZELOPOULOS

"I would say I'm not sophisticated in the way I live," Laura Mentzelopoulos ventures. "But when I entertain in the château, of course, I like to do the best. If you have a perfect wine, you must have a perfect park. Your vineyard must also be perfect. Everything should be impeccable because, after all, it is an image."

Madame Mentzelopoulos, owner of Bordeaux's prestigious Château Margaux, is nothing if not disciplined. She applies an exacting standard to her surroundings and to the production

business closely, making regular visits to top-rated restaurants "so that I can be sure the wine is listed" and arranging wine tastings for fellow vintners and journalists. "You cannot decide on the price of a vintage by fantasy," she points out. "I learn; I listen. And I hear, for example, what the critics have to say about the latest vintage. You must consider the atmosphere and the quality of the market, and if all this is favorable, then the price is good."

Her willingness to heed the experts reaches beyond the busi-



Laura Mentzelopoulos, the owner of Château Margaux, spends about a quarter of the year in her Fifth Avenue pied-à-terre, from which she monitors her business.

ness. Madame Mentzelopoulos

commissioned the esteemed decorator Henri Samuel to transform the interior of her neo-Palladian French château. She did, however, accompany him on buying trips. "I bought everything," she boasts, "from the coffee spoons to the carpet and the chandelier."

Madame Mentzelopoulos has been as zealous in assembling the right touches for her Fifth Avenue pied-à-terre, from the graceful 18th-century French backgammon table to the view of Venice by Francesco Guardi. The

of one of France's premier wines.

Her great pride, however, is the 18th-century Meissen porcelain that lines the living room's mantel and several shelves on either side of it. "These pieces fit well here," she says of the dainty tea and coffee pots, cups, bowls, candlesticks and perfume bottles. "I love the colors and the way they feel. Nobody touches them but me," she insists, caressing a small porcelain egg sprinkled with raised roses. "Even the dusting—I do it myself."



Elizabeth de Cuevas' marble heads rest behind Mentzelopoulos' antique backgammon table.

painting occupies a place of honor on the mirrored wall above the sofa. Silhouetted in the window are Elizabeth de Cuevas' sculpted abstract marble heads, which appear to fit together like the pieces of a puzzle.

The apartment serves as a repository for things Madame Mentzelopoulos deems too fragile or refined for Château Margaux's more massive structure. These meticulously selected treasures include a pair of delicately wrought Diego Giacometti tables. The smaller one, on whose base a bronze owl rests, once belonged to Henri Samuel. Initially reluctant to part with it, Samuel was persuaded at last. "Look here, Henri," I said to him. "You are going to sell me this thing." And he did," Madame Mentzelopoulos recalls with the relish of someone who struck a shrewd bargain.

Her great pride, however, is the 18th-century Meissen porcelain that lines the living room's mantel and several shelves on either side of it. "These pieces fit well here," she says of the dainty tea and coffee pots, cups, bowls, candlesticks and perfume bottles. "I love the colors and the way they feel. Nobody touches them but me," she insists, caressing a small porcelain egg sprinkled with raised roses. "Even the dusting—I do it myself."

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INTERNATIONAL STOCK MARKETS

An Analyst's Reassurance
About London's Potential

By WILLIAM McBRIDE
International Herald Tribune

NEW YORK — International investors who cheered on the London Stock Exchange as it soared 20 percent in the first quarter are understandably uneasy these days. In the past two weeks or so, the market has suffered a bout of dizziness. After breaking through the 830 level in early April, the Financial Times All-Share Index closed Monday at 801.14.

Adding to the appeal
of British shares has
been a healthy round
of dividend increase.

Although such a correction can still be termed mild, the setback has raised the question in the minds of global money managers about London's potential, especially in light of Wall Street's hesitant mood. Last week, U.S. institutional investors in need of reassurance found it in modest amounts at a New York seminar given by the British brokerage Phillips & Drew, a subsidiary of Union Bank of Switzerland.

Economy
Weakens
In Japan

Leading Index,
Output Decline

Compiled by Our Staff From Dispatches
TOKYO — Japan's economy is still expanding but the pace of growth has slowed considerably because of the yen's appreciation against the dollar during the past seven months, according to reports issued Monday.

Japan's Economic Planning Agency said its leading indicator index for February, the most recent reporting month, fell to 50.0 from 66.7 in January. The indicator, which measures near-term economic trends, forecasts economic expansion at an annual rate above 50, and contraction below 50.

Agency economists attributed the decline to slumping machinery orders from abroad and a decline in the money supply, which are among 12 components of the leading indicator index.

Judging from these and other indicators, we think the economy has been expanding and will continue to expand, though the pace will be slow," the agency said. Separately, the Ministry of International Trade and Industry said that seasonally adjusted industrial production fell 0.6 percent in March from a year earlier after a 0.1-percent rise in February.

Mexico Revitalizes Tourism Industry

Deregulation
And Promotion
Are Main Goals

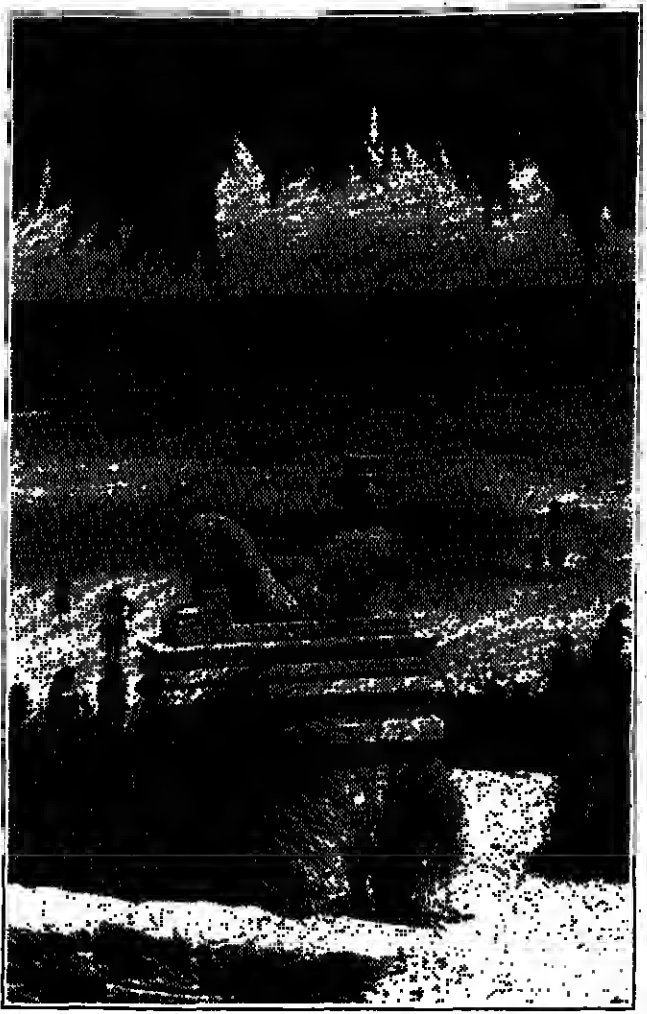
By William Stockton
New York Times Service

MEXICO CITY — Two shocks have sent Mexico reeling in the past year — a devastating earthquake that rocked Mexico City and the collapse of world oil prices.

The country has generally recovered from the first shock, burying its dead and rebuilding. But the oil trauma will cause more lasting economic devastation, and Mexico has begun a desperate search for ways to replace its largest source of foreign earnings.

Suddenly, tourism — an industry whose fortunes had sagged dramatically for the past few years — is a major government priority.

President Miguel de la Madrid has declared it as such, and the government has started an ambitious campaign to revitalize the industry. It is seeking to attract more tourists by such moves as easing rules on air charter operators and increasing services and protection for tourists on Mexico's highways and in its courts.



Beach at the Capcan resort created by the government.

months from an average of \$25 a barrel to \$11. As a result, Mexico will have a drop in foreign earnings of at least \$8 billion this year, perhaps more. About 70 percent of foreign earnings have come from oil.

"When I am asked if tourism can replace oil, my answer is no," said Antonio Enriquez Savignac, minister of tourism. "But tourism can contribute much more than at present if it is developed properly."

Mexican tourism hit a high in 1983, when 4.7 million visitors came to the country, attracted by the sharply devalued peso that resulted from the onset of the country's debt crisis.

The number has declined in the past two years and dropped to 4.2 million last year as more Americans than before headed to Europe and other traditionally expensive destinations armed with a dollar of unprecedented strength.

German Report
Predicts Record
Trade Surplus

By Warren Getler
International Herald Tribune

FRANKFURT — West Germany will post a record 100-billion-Deutsche-mark (\$45-billion) merchandise trade surplus this year, the country's five leading economic research institutes predicted Monday.

The forecast raised doubts about whether German officials attending next week's economic summit in Tokyo can convince trading partners that current world trade imbalances are chiefly a U.S.-Japanese problem.

The institutes' projection, however, could be skewed by an acceleration of the dollar's decline against the mark, making West German exports less competitive.

An indication that the dollar could come under strong downward pressure from the mark, after months of growing softness against the Japanese yen, came Monday. The dollar touched five-year lows of 2.15 DM from Friday's 2.2 DM fix, forcing the Bundesbank to intervene in the open market with a dollar purchase estimated to be as much as \$200 million.

favorable developments, namely the drop in oil prices. "We want them to look beyond into next year and do all they can, especially in overcoming structural problems, to ensure that the favorable growth environment continues."

Bonn, however, is apt to balk at pleas for official rate cuts, concerned that further monetary stimulus could forfeit its noninflationary environment and could put undue pressure on the mark within the European Monetary System following this month's currency realignment.

The institutes also predicted Monday that gross national product would grow 3.5 percent this year, well up from last year's 2.4 percent. They predicted that inflation would fall to a 32-year low of 0.5 percent on average this year, compared with 2.2 percent in 1985.

At the seven-nation summit meeting, West Germany is expected to face further mulling from Washington and other participants to stimulate domestic demand and thus absorb more imports.

Currency Rates

Table with columns: Country, Rate, % Change, etc. Includes entries for Amsterdam, Brussels, Frankfurt, London, etc.

Closest in London and Zurich. Rates in other European centers. New York rates of 4 P.M. (C) Commercial bank (D) Amounts needed to buy one pound (E) Amounts needed to buy one dollar (F) Units of 100 (G) Units of 1,000 (H) Units of 10,000 (I) Not quoted; (J) Not available. (K) To buy one pound: \$1.63/100.

Table with columns: Country, Currency, Rate, etc. Includes entries for Argentina, Australia, Austria, etc.

Sources: Banque de Bruxelles (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (Geneva, rival, de facto); Gosbank (Moscow). Other data from Reuters and AP.

Interest Rates

Table with columns: Instrument, Rate, etc. Includes entries for 3-month, 6-month, 9-month, 1-year, etc.

Key Money Rates April 26

Table with columns: Instrument, Rate, etc. Includes entries for Discount Rate, Federal Funds, Prime Rate, etc.

West Germany

Table with columns: Instrument, Rate, etc. Includes entries for Lombard Rate, Overnight Rate, etc.

France

Table with columns: Instrument, Rate, etc. Includes entries for Intervention Rate, Call Money, etc.

Japan

Table with columns: Instrument, Rate, etc. Includes entries for Discount Rate, Call Money, etc.

Latin American Nations See Progress in Slowing Capital Flight

By Keith Grant
Reuters

CARACAS — Latin American nations say they are winning a long battle against the flight of capital from their economies, estimated to have totaled \$120 billion in the past decade and exceeding some countries' net foreign borrowing in recent years.

According to a recent report by Morgan Guaranty, the U.S. bankers, the outflow of capital from Latin America since the peak of the debt crisis in 1983 has totaled \$30 billion.

Capital flight goes to the core of the region's \$370-billion debt problem, and bankers such as William R. Rhodes, a Citibank official who is chairman of a 14-bank advisory committee, have called for bolder steps to limit outflows.

In this context, the proposal by Treasury Secretary James A. Baker 3d of the United States aims to encourage economic reforms in the region that will attract tight capital back as well as encourage foreign banks to resume lending.

Most Latin American officials concede that capital flight must be overcome for their economies to grow.

Some countries say they have eliminated a basic motive for capital flight by narrowing the difference between official and free-market rates for their currencies, thereby reducing potential profits to be made from speculation.

In Argentina, where the government of Raúl Alfonsín has stabilized the currency, the addition of interest rates that are higher than inflation has stanchied a flood of exit capital and attracted some back.

"Today in our country there is no more capital flight," Economy Minister Juan Sourrouille said in a recent interview.

In Chile, which has a free-market interest-rate differential of barely 5 percentage points, capital has also begun to return. Mexico and Venezuela have tried to squeeze capital flight through tight credit policies.

In Brazil and Mexico, Latin America's two largest debtors, which owe \$200 billion between them, capital flight has been a major problem, according to the Morgan Guaranty report. It estimates that \$16 billion left Mexico be-

tween 1983 and 1985 and \$6.6 billion from Brazil.

Brazilian officials do not publicly accept these figures and say that the problem is insignificant, a point of view shared by local bankers who say they are unaware of any large-scale capital flight since the debt crisis broke.

But the Brazilian banking sources say some capital flight did come from under-invoicing of exports and over-invoicing of imports, a phenomenon that continues in Argentina, Venezuela and to a diminishing extent in Mexico.

In Venezuela, second only to Mexico in capital flight, bankers estimate that over-invoicing of imports has grown in the past six months to \$100 million to \$150 million monthly.

Private economists in Argentina estimate that until the launch of the anti-inflation plan in June 1985 under-invoicing of exports accounted for \$1.5 billion a year.

Some governments are now acting to limit these outflows with trade auditing measures, such as in Colombia, whose coffee export-registration price guards against undervaluing sales.

The right conditions for making under-invoicing less attractive, it has done nothing to stop the activity.

Meanwhile, a new form of capital flight has begun evolving, directly as a result of the debt crisis: Private companies buy back their own debt in international financial markets at a discount that is far less than the amount borrowed.

Private debtors that qualify for preferential dollars under government programs have created

(Continued on Page 15, Col. 4)

U.S. Productivity
Surged by 3.4%
In First Quarter

WASHINGTON — U.S. business productivity surged 3.4 percent in the first quarter of 1986 following a revised 4.1-percent decline in the last quarter of 1985, the Labor Department said Monday.

The rise in nonfarm output per hour was the best quarterly gain since the first quarter of 1984, when it rose 3.6 percent, the department said.

Including the farm sector, overall business productivity rose 2.3 percent in the three-month period following a revised 3.5-percent decline in the fourth quarter of last year, the department said. The aggregate increase was also the largest gain in two years.

Merger Agreement Creates
World's Largest Ad Agency

By Philip H. Dougherty
New York Times Service

NEW YORK — Three of the world's top advertising agencies are merging to create the largest such company.

BBDO International, Doyle Dane Bernbach Group and Needham Harper Worldwide announced Sunday they had signed an agreement to form a holding company to handle about \$5 billion a year in advertising billings.

"We want to be nothing less than advertising's global creative superpower," said Allen G. Rosenzweig, chairman and chief executive officer of BBDO. His agency created the Pepsi-Cola advertising that won every top prize in last year's major U.S. advertising competitions.

The three agencies have a combined work force of 10,221. It also removes some of the pressure from the individual agencies to pursue "every piece of new business to keep the stockholders happy," in the words of Mr. Rosenzweig.

The merger is the latest step in a changing industry. Advertising has gained enormous status in recent years because it has become responsible for adding perceived differences in products where actual differences, because of technological advances, often no longer exist.

Another pressure driving agencies into international expansion is their clients' multinational marketing goals. Some analysts think advertising will soon consist of just a few giant multinational organizations and a multitude of small local and regional companies.

Mr. Rosenzweig said the new arrangement will give clients who need extra creative resources the option of avoiding a lengthy search for a new agency.

For the agencies involved, it is a way of holding onto creative talent by offering a diversity of places to

(Continued on Page 11, Col. 1)

THE ROYAL OAK.
NOTHING CAN EQUAL
THE ORIGINAL.



The Royal Oak.
One of the greatest designs
of the 20th century.

Audemars Piguet
La plus prestigieuse des signatures.

كزمان النحل

Business Roundup

Co., Unocal Earnings Drop Sharply in Quarter

1986 million, a decline of 42.3 percent from last year's \$343 million. Arco's chairman and chief executive, Lodwick Cook, warned that worse results may be in store if bargain-basement oil prices persist.

Boeing Profit Up 34.5% in Quarter

SEATTLE — Boeing Co. reported Monday that earnings rose to \$148 million in the first quarter, a 34.5-percent increase from \$110 million in the first quarter of 1985.

London

Mr. Inglis said, "The industrial gases market will get a lift from the rise in prices. So far, BOC underperformed" and as the search for the lower oil prices noted that BOC has a gas ratio of 11, versus 15 for Shell and Chemicals Inc.

Lower Prime

Instinto San Paolo di Monday that it would lend at 14.50 to 15.25 percent. The 1-percent-point official discount rate.

ADAM DEPOSITORY

ADAM DEPOSITORY (ADAM) is a new service available in Amsterdam at the request of the ADAM group.

Matsushita Net Declines 19.3%

OSAKA, Japan — Matsushita Electric Industrial Co. said Monday that first-quarter net income fell 19.3 percent from a year earlier, to \$1.5 billion yen (\$308.4 million) from \$3.8 billion, because of the impact of a stronger yen on export sales.

IBM Predicts Problems Will Continue in 1986

HOUSTON — International Business Machines Corp. survived economic hardships that struck the information-processing industry in 1985, but the company and the industry will continue to suffer into 1986, the company's president, John F. Akers, said Monday.

Kidder Adds Clout to GE Financial

NEW YORK — It seemed just a rhetorical flourish when General Electric Credit Corp. filed its recent annual report "Changing the Face of Finance."

They [GE] are really good, tough, smart competitors.

Frederick H. Joseph, Drexel Burnham

The acquisition will come under the umbrella of GE Financial Services, whose principal operating unit is GE Credit. Kidder will operate as an autonomous unit, but is expected to mesh closely with GE Credit.

Bank, are attempting to build their ability to trade and underwrite a broad array of securities.

COMPANY NOTES

Allianz Lebensversicherungs AG, West Germany's leading life insurer, reported that net profit in 1985 rose to 66 million Deutsche marks (\$30 million), a 17.6-percent increase from 56.1 million DM in 1984.

German Record Predicted

(Continued from Page 9) export prices are only marginally down," said Peter Trapp of the Kiel Institute for World Economy, one of the five institutes reporting Monday.

Company Results

Table with columns for Company Name, 1985 Revenue, 1985 Profit, 1986 Revenue, 1986 Profit, and % Change. Includes companies like British Airways, Amsted Industries, and Unocal.

German Record Predicted

(Continued from Page 9) export prices are only marginally down," said Peter Trapp of the Kiel Institute for World Economy, one of the five institutes reporting Monday.

ANTIQUAIRES A PARIS

Welcome the Young President Organization. DIDIER AARON & CIE, AVELINE & CIE, ETIENNE LEVY S.A., MICHEL MEYER, JACQUES PERRIN, MAURICE SEGOURA, BERNARD STEINITZ.

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France	F.F.	1,400	740	420
Germany*	D.M.	560	300	170
Great Britain	£	120	65	36
Greece	Dr.	20,000	11,000	6,000
Netherlands	Fl.	634	340	190
Ireland	I.R.	140	77	42
Italy	Lire	350,000	190,000	106,000
Luxembourg	L.F.	10,700	5,800	3,200
Norway*	N.Kr.	1,650	900	500
Portugal	Esc.	19,000	10,400	5,700
Spain*	Ptas.	26,500	14,600	8,000
Sweden*	S.Kr.	1,700	920	520
Switzerland	S.F.	490	270	148

Rest of Europe, North Africa, former French Africa, Middle East \$ 400 200 120
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Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High	Low	Stock	Div. Yld.	PE	52 High	Low	Chg.	12 Month High	Low	Stock	Div. Yld.	PE	52 High	Low	Chg.
31.75	14	Russell	1.38	15.2	31.75	14	+	32.50	15	UIC	1.00	15.0	32.50	15	+
48.75	22	Ryker	4.40	11.1	48.75	22	+	49.00	23	UIC	1.00	15.0	49.00	23	+
49.75	25	Ryman	4.40	11.1	49.75	25	+	50.00	26	UIC	1.00	15.0	50.00	26	+
51.75	27	Ryman	4.40	11.1	51.75	27	+	52.00	28	UIC	1.00	15.0	52.00	28	+
53.75	29	Ryman	4.40	11.1	53.75	29	+	54.00	30	UIC	1.00	15.0	54.00	30	+

(Continued)

11.75	5	Amstar	1.00	11.75	11.75	5	+	11.75	5	UIC	1.00	15.0	11.75	5	+
12.75	6	Amstar	1.00	12.75	12.75	6	+	12.75	6	UIC	1.00	15.0	12.75	6	+
13.75	7	Amstar	1.00	13.75	13.75	7	+	13.75	7	UIC	1.00	15.0	13.75	7	+
14.75	8	Amstar	1.00	14.75	14.75	8	+	14.75	8	UIC	1.00	15.0	14.75	8	+
15.75	9	Amstar	1.00	15.75	15.75	9	+	15.75	9	UIC	1.00	15.0	15.75	9	+

16.75	10	Amstar	1.00	16.75	16.75	10	+	16.75	10	UIC	1.00	15.0	16.75	10	+
17.75	11	Amstar	1.00	17.75	17.75	11	+	17.75	11	UIC	1.00	15.0	17.75	11	+
18.75	12	Amstar	1.00	18.75	18.75	12	+	18.75	12	UIC	1.00	15.0	18.75	12	+
19.75	13	Amstar	1.00	19.75	19.75	13	+	19.75	13	UIC	1.00	15.0	19.75	13	+
20.75	14	Amstar	1.00	20.75	20.75	14	+	20.75	14	UIC	1.00	15.0	20.75	14	+

21.75	15	Amstar	1.00	21.75	21.75	15	+	21.75	15	UIC	1.00	15.0	21.75	15	+
22.75	16	Amstar	1.00	22.75	22.75	16	+	22.75	16	UIC	1.00	15.0	22.75	16	+
23.75	17	Amstar	1.00	23.75	23.75	17	+	23.75	17	UIC	1.00	15.0	23.75	17	+
24.75	18	Amstar	1.00	24.75	24.75	18	+	24.75	18	UIC	1.00	15.0	24.75	18	+
25.75	19	Amstar	1.00	25.75	25.75	19	+	25.75	19	UIC	1.00	15.0	25.75	19	+

NYSE High-Lows

NEW HIGHS 113

ALLTEL	AmBred	AmTel	AmTel	AmTel	AmTel
AmBred	AmTel	AmTel	AmTel	AmTel	AmTel
AmTel	AmTel	AmTel	AmTel	AmTel	AmTel
AmTel	AmTel	AmTel	AmTel	AmTel	AmTel
AmTel	AmTel	AmTel	AmTel	AmTel	AmTel

NEW LOWS 9

Briffell	Briffell	Briffell	Briffell	Briffell	Briffell
Briffell	Briffell	Briffell	Briffell	Briffell	Briffell
Briffell	Briffell	Briffell	Briffell	Briffell	Briffell
Briffell	Briffell	Briffell	Briffell	Briffell	Briffell
Briffell	Briffell	Briffell	Briffell	Briffell	Briffell

China Signs to Launch Retrieved U.S. Satellites

NEW YORK — Terast, a space satellite concern, has tentatively agreed to use China's space agency to launch two rebuilt communications satellites retrieved from faulty orbits by a U.S. space shuttle.

Terast's banker, International Capital & Technology, said Monday that an agreement had been signed with China Great Wall Industry Corp., a division of China's Ministry of Astronautics. The pact also calls for Great Wall to arrange insurance with China's Peoples Insurance Co. for at least \$60 million of coverage.

The rockets will be designed, built in and launched from China no later than December 1987, according to Charles Abrams, chairman of International Capital.

Terast is a joint venture of Universal Satellite and two Houston-based companies, First National Trust, a real estate investment group, and Star Technology & Science. It was organized to purchase from Lloyd's of London the Palapa B and Westar VI satellites, retrieved from orbits of the shuttle Discovery in 1984.

Mr. Abrams said Terast had chosen the Chinese agency because of concern that the explosion of the shuttle Challenger in January might lead to delayed launchings in the United States and because of slightly lower launch costs and the availability of insurance.

Merrill Sets India Fund

NEW DELHI — Merrill Lynch & Co. and the state-owned Unit Trust of India will form a joint-venture mutual fund company to raise money for investment in the Indian capital market, the Finance Ministry said Monday.

The venture, to be called India International Fund, will have an initial capital of \$60 million available for investment, the agency said. It said UTI will invest the money in secondary market equities, new equities, venture capital and fixed-rate securities in India. It did not say when the venture would begin operations.

Hang Seng Sets Record

HONG KONG — A late wave of institutional buying pushed the Hang Seng index up 14.03 points Monday, to a record close of 1,848.65. The index, which had been down 7 points in early trading, closed at a record 1,834.62 on Friday.

Tool Orders Rise 2.1% in U.S.

NEW YORK — New orders for U.S. machine tools rose 2.1 percent in March from February's level, according to a report released Monday by the National Machine Tool Builders' Association. The trade group said new orders for machine tools were \$214.8 million in March, up from \$210.4 million in February.

Britain's North Sea Output Unchanged

LONDON — Britain's North Sea oil production averaged 2.72 million barrels per day in March, unchanged from February, the Royal Bank of Scotland PLC said Monday.

Handwritten note: 251 on top

S. Futures

The Associated Press

Table of futures contracts including various commodities and their prices.

Options

Table of options contracts with columns for call and put prices.

Commodity Options

Table of commodity options for various goods like oil, sugar, and wheat.

Table of stock prices for various companies and indices.

Table of metal prices for commodities like copper and silver.

Table of stock indices including Dow Jones and S&P 500.

Table of commodity prices for various goods.

Table of financial data and exchange rates.

Table of stock prices for various companies.

Table of metal prices.

Table of stock indices.

Table of commodity prices.

Table of financial data.

Monday's AMEX Closing advertisement with logo and contact information.

Table of AMEX closing prices for various stocks.

Advertisement for Grand Metropolitan P.L.C. (GDM) regarding a shareholder meeting.

Advertisement for Investissements Atlantiques, a Luxembourg-based investment company.

Advertisement for Norwegian Bull, a technical market analysis service.

Advertisement for International Funds, listing various investment funds.

Large table of international stock prices and market data.

Advertisement for Avis aux Actionnaires (Shareholders Notice) for Grand Metropolitan P.L.C.

Advertisement for Norwegian Bull, featuring a line graph and technical analysis.

Advertisement for International Funds, providing a list of fund names and their performance.

Table of stock prices for various companies.

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Table of stock prices for various companies.

Table of London Commodities prices.

Table of London Metals prices.

Table of S&P 100 Index Options prices.

Table of Dividends for various companies.

Table of Cash Prices for various commodities.

Table of DM Futures Options prices.

Table of U.S. Treasuries prices.

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Table of U.S. Treasuries prices.

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Bottom section containing various news articles, including 'Japan to Increase Oil Stocks' and 'Reaching More Than a Third of a Million Readers'.

Monday's AMEX Closing

Tables include the afternoon prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High/Low	Stock	Chg.	Yld. PE	52 Week High/Low	Open	Close
12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2
12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2
12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2

(Continued)

12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2
12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2
12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2

12 Month High/Low	Stock	Chg.	Yld. PE	52 Week High/Low	Open	Close
12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2
12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2
12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2

12 Month High/Low	Stock	Chg.	Yld. PE	52 Week High/Low	Open	Close
12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2
12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2
12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2

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12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2
12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2

12 Month High/Low	Stock	Chg.	Yld. PE	52 Week High/Low	Open	Close
12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2
12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2
12 1/2	AMER	+	15.5	12 1/2 - 13 1/2	12 1/2	12 1/2

AMEX High-Lows

NEW HIGHS 44

AMEX	12 1/2	13 1/2
AMEX	12 1/2	13 1/2
AMEX	12 1/2	13 1/2

NEW LOWS 4



AMEX	12 1/2	13 1/2
AMEX	12 1/2	13 1/2
AMEX	12 1/2	13 1/2

All of these securities having been sold, this announcement appears as a matter of record only.

10,080,000 Shares

Western Publishing Group, Inc.

Common Stock

Drexel Burnham Lambert
INCORPORATED

William Blair & Company

PaineWebber
INCORPORATED

Bear, Stearns & Co. Inc. **The First Boston Corporation** **Alex. Brown & Sons** **Dillon, Read & Co. Inc.**

Donaldson, Lufkin & Jenrette **Goldman, Sachs & Co.** **Gordon, Haskett & Co.** **Hambrecht & Quist**

E. F. Hutton & Company Inc. **Kidder, Peabody & Co.** **Lazard Freres & Co.** **Merrill Lynch Capital Markets**

Montgomery Securities **Morgan Stanley & Co.** **Prudential-Bache** **Robertson, Colman & Stephens**

L. F. Rothschild, Unterberg, Towbin, Inc. **Salomon Brothers Inc.** **Shearson Lehman Brothers Inc.**

Smith Barney, Harris Upham & Co. **Wertheim & Co., Inc.** **Dean Witter Reynolds Inc.**

Arnold and S. Bleichroeder, Inc. **Robert W. Baird & Co.** **A. G. Edwards & Sons, Inc.** **Eberstadt Fleming Inc.**

Kitcat Aitken & Safran **Ladenburg, Thalmann & Co. Inc.** **Moseley, Hallgarten, Estabrook & Weeden Inc.**

Oppenheimer & Co., Inc. **Swiss Bank Corporation International Securities Inc.** **Thomson McKinnon Securities Inc.**

Tucker, Anthony & R. L. Day, Inc. **UBS Securities Inc.** **Bateman Eichler, Hill Richards** **Sanford C. Bernstein & Co., Inc.**

Blunt Ellis & Loewi Boettcher & Company, Inc. **J. C. Bradford & Co.** **Butcher & Singer Inc.** **Cable, Howe & Ragen**

Carolina Securities Corporation **Cowen & Co.** **Dain Bosworth** **Doff & Co., Inc.** **Eppler, Guerin & Turner, Inc.**

Fahnestock & Co. Inc. **First Albany Corporation** **First Manhattan Co.** **First of Michigan Corporation**

Furman Selz Mager Dietz & Birney **Gordon, Haskett Capital Corporation** **Gruntal & Co., Incorporated**

Howard, Weil, Labouisse, Friedrichs **Interstate Securities Corporation** **Janney Montgomery Scott Inc.**

Jefferies & Company, Inc. **Jesup & Lamont Securities Co., Inc.** **Johnson, Lane, Space, Smith & Co., Inc.**

Johnston, Lemon & Co. **Josephthal & Co.** **Laidlaw Adams & Peck Inc.** **Cyrus J. Lawrence** **Legg Mason Wood Walker**

McDonald & Company **The Milwaukee Company** **Morgan, Olmstead, Kennedy & Gardner** **Neuberger & Berman**

Nomura Securities International, Inc. **The Ohio Company** **Parker/Hunter** **Piper, Jaffray & Hopwood**

Prescott, Ball & Turben, Inc. **Rauscher Pierca Refsnas, Inc.** **Raymond, James & Associates, Inc.**

The Robinson-Humphrey Company, Inc. **Rotan Mosle Inc.** **Stifel, Nicolaus & Company** **Sutro & Co.**

Underwood, Nauhaus & Co. **Wedhush, Nobla, Cooke, Inc.** **Wheat, First Securities, Inc.**

American Securities Corporation **Barclay Investments, Inc.** **Brean Murray, Foster Securities Inc.**

Alan Bush Brokerage Co. **The Chicago Corporation** **Evans & Co.** **Frederick & Company, Inc.** **The Illinois Company**

Keana Securities Co., Inc. **W. H. Newbold's Son & Co., Inc.** **Nippon Kangyo Kakumaru International, Inc.**

Propp & Company, Inc. **Rodman & Renshaw, Inc.** **Rosenkrantz, Lyon & Ross** **R. Rowland & Co.**

Sanyo Securities America Inc. **Smith, Moore & Co.** **Swergold, Cbeftiz & Sinsabaugh, Inc.** **Woolcott & Co.**

April 23, 1986

Floating-Rate Notes

April 28

Issue/Alert	Coupon Next	Bid	Ask
Amstar 12/28	8%	102.10	102.15
Amstar 12/28	8%	102.10	102.15
Amstar 12/28	8%	102.10	102.15

Dollars

Issue/Alert	Coupon Next	Bid	Ask
Amstar 12/28	8%	102.10	102.15
Amstar 12/28	8%	102.10	102.15
Amstar 12/28	8%	102.10	102.15

Pounds Sterling

Issue/Alert	Coupon Next	Bid	Ask
Amstar 12/28	8%	102.10	102.15
Amstar 12/28	8%	102.10	102.15
Amstar 12/28	8%	102.10	102.15

E.C.U.

Issue/Alert	Coupon Next	Bid	Ask
Amstar 12/28	8%	102.10	102.15
Amstar 12/28	8%	102.10	102.15
Amstar 12/28	8%	102.10	102.15

Deutsche Marks

Issue/Alert	Coupon Next	Bid	Ask
Amstar 12/28	8%	102.10	102.15
Amstar 12/28	8%	102.10	102.15
Amstar 12/28	8%	102.10	102.15

Canadian Dollars

Issue/Alert	Coupon Next	Bid	Ask
Amstar 12/28	8%	102.10	102.15
Amstar 12/28	8%	102.10	102.15
Amstar 12/28	8%	102.10	102.15

Japanese Yen

Issue/Alert	Coupon Next	Bid	Ask
Amstar 12/28	8%	102.10	102.15
Amstar 12/28	8%	102.10	102.15
Amstar 12/28	8%	102.10	102.15

FOREIGN & COLONIAL RESERVE ASSET FUND

PRICES AT 22.85

A: U.S. DOLLAR "CASH"	\$10.58
B: MULTICURRENCY "CASH"	\$11.14
C: DOLLAR BONDS	\$13.38
D: FOREIGN BOND BONDS	\$15.66
E: STERLING BONDS	\$12.11
F: DEUTSCHMARK BONDS	\$11.074
G: YEN BONDS	\$11.12
H: S.W. DOLLAR BONDS	\$11.12
I: U.S. EQUITIES	\$11.65

FOR OTHER F. & C. FUNDS, SEE INTERNATIONAL FUNDS LIST

Growth Rate in Dhaka, Bangladesh

DHAKA, Bangladesh — Bangladesh's economic growth rate rose to 3.1 percent in the year ending June 30, 1984, from 4.3 percent the previous year, mainly because of a drop in food production.

Monday in its annual report.

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FUTURES AND OPTIONS

Rubber-Index Futures Open in U.K.

By Martin Hayes

LONDON — Rubber-index futures started trading in London today, being viewed actively by brokers, consumers, producers, traders say.

The index should be more representative as a hedging vehicle, given that the contracts provide a more accurate price for worldwide rubber, dealers said.

Cash settlement, with transactions cleared by the International Commodity Clearing House, should also prove more attractive to trade interests, removing squeeze and local price distortions common in deliverable futures markets, they said.

Changing patterns in rubber consumption led to the decline and eventual closing of the old rubber-futures contract, traded on the floor of the London Commodity Exchange.

The previous contract, based on ribbed smoked sheet rubber, gradually lost favor, with consumers moving to technically specified rubbers. Deliverable RSS rubber ceased trading in December 1985.

Hedging and trading became difficult, with the market tied to one particular grade while about 30 different grades worldwide evolved from rubber in its original latex form, dealers said.

Index futures should also encounter interest from small individual investors and speculators if trading volume develops, creating a mutually favorable re-

sponse from producers and consumers after difficulties encountered in trading deliverable-rubber futures.

Essential market liquidity, they added.

Futures restricted to one specialized grade of deliverable rubber because difficult to trade for investors because these localized markets did not necessarily react to general trends in the commodity, they noted.

But index futures, being a reflection of overall world market trends and supply-and-demand patterns, will be easier to trade for those investors lacking specialized knowledge.

The rubber market earlier this year reversed direction after a long-term downward, which saw prices fall back to the International Natural Rubber Organization price-support area.

The rubber index, which has been quoted since early 1985, reflected the new upward move, although the market subsequently settled back.

The spot index rose from £339 a metric ton in early December 1985 to £551 in mid-February, when heavy rainfall in Malaysia and Indonesia disrupted tapping and production.

The London Rubber Terminal Market Association had hoped to launch index futures earlier this year and an earlier start-up would have coincided with the sharp market upturn, the dealers added.

Market conditions are slightly less promising with approaching summer, when factories normally close for holidays and consumption eases.

But Far Eastern markets have recently moved higher against a background of tight physical supply. The new London contract could capitalize on this factor.

The futures started Monday with a June 1986 position, followed by five consecutive quarterly trading periods starting with July-September.

S.R. Murphy, chairman of the London Rubber Terminal Market Association, said, "Over recent months we have seen considerable volatility in the physical market. We hope the international trade will take full advantage of the new contract and the increased trading opportunities which will result."

Mexico Builds Hopes On Tourism Industry

(Continued from Page 9)

of applying for a permit," promised Guillermo Grimm, deputy minister of tourism.

An increase in the frequency of flights to Mexico by carriers based in Europe and Canada, and a rise in the number of passengers they will be allowed to bring in.

Discounts ranging from 20 to 40 percent by Mexico's two national airlines on flights from Canada and the United States to 11 destinations in Mexico.

A new program to provide un-leaded gasoline for sale on major highways to American tourists who enter Mexico with their cars. Un-leaded fuel is virtually impossible to find except in major cities.

American drivers risk permanent damage to their engines using other types of fuel.

A lowering of excessive bureaucratic barriers at the border that made it difficult for American groups to bring in equipment to put on trade shows and conventions.

In an era when the dollar has begun to fall, reducing the allure that travel destinations across the oceans once had, the Mexican government's policy of steadily devaluing the peso continues to make travel in Mexico a bargain for Americans. At the end of last week, a dollar would buy about 510 pesos. Less than a year ago, the peso traded in the 300 range.

The United States has always accounted for the majority of Mexico's tourism.

But Mexico is also looking to Europe and Asia to increase its share of strong markets that have not traditionally been prime tourism earnings points for Mexico.

Officials also plan to spend \$22 million on advertising and promotion this year. While not enormous as advertising budgets go, it is a stable investment for Mexico.

Eliminating red tape and pumping large sums into advertising is meant to address short-term tourism growth. Long-term growth will depend on Mexico's ability to continue to develop first-class resorts that will attract more affluent American and European tourists.

To do that, Mexican officials must find additional foreign investment. They were rapturous when they talk of the new hotel being built in Mexico City in a joint venture by Japanese and Mexican money and the hopes of Japanese tourists they envision descending on their country.

"We hope this will be the first of an eventual chain of Japanese hotels in Mexico and the beginning of large numbers of Japanese and other Oriental tourists coming to Mexico," said Manuel Flores, an official of Fonatur, the government's National Fund for Tourism Development, which is supplying loans for a portion of the project.

The hotel, to be called the Nicomec, is to be run by a subsidiary of Japan Air Lines, and the airline is to funnel tourists into Mexico City to stay at the hotel. The group of Japanese investors, which includes an impressive contingent of major Japanese industrial powers and a Japanese government bank, has put up 49 percent of the hotel. The balance is coming from Mexican investors and Fonatur.

CURRENCY MARKETS

Central Banks Fail to Buoy Dollar

Compiled by Our Staff From Dispatches

NEW YORK — The dollar closed sharply lower in Europe Monday despite attempts by the Bank of Japan and the West German Bundesbank to arrest its slide.

The currency stabilized in later U.S. trading, however.

After opening in Frankfurt at a five-year low of 2.1545 Deutsche marks, the dollar recovered after the Bundesbank intervention to 2.1713 at the afternoon fixing there. But that was down more than 3 pips from 2.2050 at the Friday fixing.

The U.S. currency fell still further in London to 2.1640 DM at the close, down from Friday's close of 2.1793. It also fell there to 167.05 yen from 168.45 on Friday.

In later U.S. trading, the dollar closed in New York at 2.1645 DM, unchanged from the close there on Friday; to 167.35 yen, down slightly from 167.70, and to 6.90 French francs, down from 6.9045.

Dealers said market movements this week are likely to be dictated by maneuvering ahead of next week's economic summit meeting in Tokyo, helping to keep trading highly nervous. There is potential for the dollar to firm up again late in the week as positions are cut or even squared up ahead of the weekend, they said.

"There has to be an accord on the dollar out of Tokyo," one U.S. bank dealer said. "The market is just stuck between the wishes of Japan and West Germany, who want to stop the dollar's fall, and the United States, which seems to be happy to see the dollar buried."

However, European traders said they believe that the Reagan administration remains adamant

London Dollar Rates

Table with columns: Currency, Rate, and other details. Includes entries for Deutsche Mark, Japanese Yen, Swiss Franc, and French Franc.

about wanting to push the dollar still lower to help reduce the U.S. trade deficit. "I don't think it has bottomed out yet," one London operator said.

In other European markets Monday, the dollar was fixed at mid-afternoon in Paris at 6.9230 French francs, down from 7.0340 at the Friday fixing, and at 44.2875 Belgian francs in Brussels, down from 45.0.

The British pound, meanwhile, rose sharply against the dollar and continental currencies. It closed in London at \$1.5540, up from \$1.5385 there on Friday, and at 3.3629 DM, up from 3.3518. It closed in New York at \$1.5580, up slightly from \$1.5520 on Friday.

Dealers said they now anticipate a sharp rise in sterling against the dollar when oil prices recover significantly. "The government has completely removed oil considerations from sterling trading" through its interest-rate policy, a London dealer said.

(Reuters, IHT)

War on Capital Flight

(Continued from Page 9)

plans thereby make a wide difference between a 5 and 10 percent discount.

Private groups often sent offshore funds to buy market debt through market companies.

It says this is a highly illegal, but it is not illegal, foreign banker said in

legitimate framework for discounting debt purchases, which has so far managed to attract nearly \$300 million back into the country.

Most regional officials agree with foreign bankers and creditors that the best long-term solution to capital flight is to create confidence with economic reforms that will also attract foreign investment.

But many wonder how much can be achieved in the short run.

"Nobody can order rational people to sell their shares in General Motors or IBM and believe the economy ministers who tell them things are going well," Mr. Sourrouille said.

But Far Eastern markets have recently moved higher against a background of tight physical supply. The new London contract could capitalize on this factor.

The futures started Monday with a June 1986 position, followed by five consecutive quarterly trading periods starting with July-September.

S.R. Murphy, chairman of the London Rubber Terminal Market Association, said, "Over recent months we have seen considerable volatility in the physical market. We hope the international trade will take full advantage of the new contract and the increased trading opportunities which will result."

Eliminating red tape and pumping large sums into advertising is meant to address short-term tourism growth. Long-term growth will depend on Mexico's ability to continue to develop first-class resorts that will attract more affluent American and European tourists.

To do that, Mexican officials must find additional foreign investment. They were rapturous when they talk of the new hotel being built in Mexico City in a joint venture by Japanese and Mexican money and the hopes of Japanese tourists they envision descending on their country.

CGE Issues 1-Billion-Franc Bond; Secondary Market Slow

By Christopher Pizze

LONDON — The Eurobond market ended generally mixed Monday after a quiet day's trading in which many operators, both professional and retail, preferred to keep to the sidelines, dealers said.

One dollar-straight trader at a Japanese house said, "We've written the fewest amount of tickets for weeks today. There really was nothing going on." He added that, where changed, prices were 1/4 or 1/2 point on either side of Friday's closing.

Activity in the primary market was also slow although the largest French-franc issue ever launched did emerge.

The 1-billion-franc, 7-year bond for Compagnie Generale d'Electricite pays 7% and was priced at par. It was quoted on the when-issued market at a discount of 1/16, inside the total fees of 1%

percent. The lead manager was Credit Commercial de France.

Two dollar bonds were launched. Societe Nationale des Chemins de Fer Francais issued a \$150-million bond due 1996 paying 7% and priced at 101 1/2. It was launched late in the day, but initially was quoted on the when-issued market at a discount of 1 1/16, compared with the fees of 2 percent. Banque Paribas Capital Markets was lead manager.

Banca della Svizzera Italiana (Overseas) Ltd. launched a \$25-million equity warrant issue. Each bond comes with two "a" warrants and two "b" warrants, exercisable into bearer participation certificates of Banca della Svizzera.

The issue pays an indicated coupon of 4% percent over 7 years while the indicated price is par. It traded on the when-issued market at a premium of 4 1/2 bid. Union

Bank of Switzerland (Securities) was the lead manager.

Dealers noted that a squeeze appeared to be taking place in one of last week's issues — the \$100-million bond for Allied-Signal Inc. paying 8 percent over 20 years.

Dealers said it appeared that some operators had sold the issue short via bond brokers. It ended on Friday at a discount of about 1 1/4, but by the end of Monday's trading had hit a premium of at least 3 percent bid.

In the secondary market, dealers said that floating-rate notes issued generally ended mixed where changed after a quiet day's trading. With period Eurodollar deposits ending little eroded, dealers said there was little incentive to open fresh positions.

Sterling-straight bonds were slightly easier as British government bonds ended with losses stretching to 1/2 point at the longer end, dealers added.

Firm Questions Outlook For Hong Kong Growth

By Reuters

HONG KONG — Hong Kong's economic growth this year is likely to fall below a government forecast of 4.5 percent, Wardley Investment Services said Monday in its latest Asia-Pacific review.

It said growth in the gross domestic product, which measures a nation's output of goods and services minus income from abroad, will be affected by rising protectionism in the United States and import restrictions by China. The colony's GDP expanded by 0.8 percent last year.

Monday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.

The Associated Press

Table of OTC prices for various stocks, including columns for stock name, price, and change.

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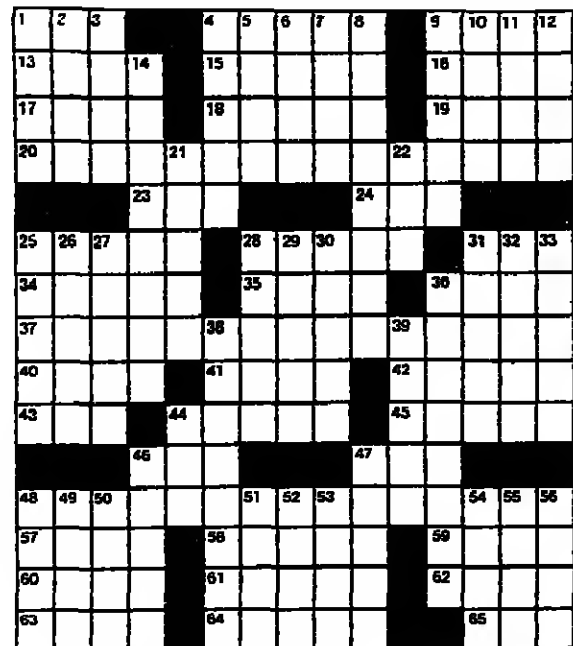
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- ACROSS**
- 1 Unit of elec. current
 - 4 Noisy trolley
 - 9 — facto
 - 13 Hamburger meat
 - 15 Pope's triple crown
 - 16 Happy
 - 17 This, in Spain
 - 18 Singing voices
 - 19 Old stringed instrument
 - 20 Slapstick comedy team
 - 23 Word with pepper or potato
 - 24 Kern song
 - 25 Beat It!
 - 31 Wager
 - 34 Habituate
 - 35 Trip
 - 36 Anger
 - 37 Comedy team
 - 40 Paris suburb
 - 41 Fine powder
 - 42 More
 - 43 Snares
 - 44 Golf strokes
 - 45 Prehistoric tombs
 - 46 Fox's relative
 - 47 Bleat
- DOWN**
- 2 German physicist, 1878-1954
 - 5 He painted Helena Rubinstein
 - 8 Element used in metallurgy
 - 10 — nomen (confidentially)
 - 11 Culpability
 - 12 Swagging walk (beware of the dog)
 - 14 Arabian gulf
 - 16 Rental contract
 - 18 Water pitcher
 - 23 Neural system
 - 24 Playwright
 - 25 Theater sign
 - 26 Interlock
 - 27 Culpability
 - 28 Swagging walk
 - 29 Seashore
 - 30 Undersized creatures
 - 31 False gods
 - 32 Snowy bird
 - 33 Ripe
 - 36 Trust
 - 38 Fit for instruction
 - 39 Hebrew prophet
 - 44 Shallow container
 - 46 River
 - 47 Surrounding
 - 48 Noble Dame
 - 49 Heap
 - 47 Boo-boo
 - 48 Smell
 - 49 Rich fabric
 - 50 Bedstaff
 - 51 Carol
 - 52 Small amount
 - 53 Feliciano or Ferrer
 - 54 Cutting tools
 - 55 Above
 - 56 Claudius's successor

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DENNIS THE MENACE



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

REEMB
SUGES
TAGASH
INSEPP

Print answer here:

Yesterday's Jumbles: AGLOW DRYLY BECOME WHINNY
Answer: What the queen threatened to do when the crown's nimble came home late one night— "CROWN" HIM

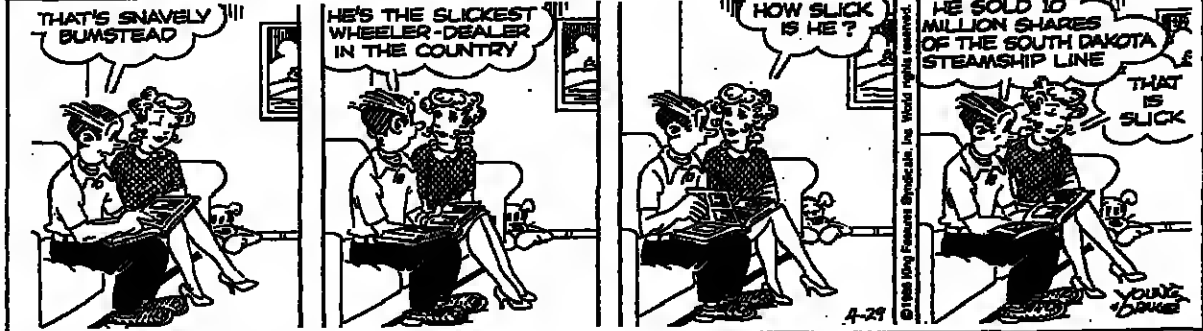
WEATHER

EUROPE		ASIA	
C	F	C	F
Aberdeen	17	63	18
Amsterdam	17	63	18
Antwerp	17	63	18
Barcelona	17	63	18
Berlin	17	63	18
Birmingham	17	63	18
Boston	17	63	18
Buenos Aires	17	63	18
Calcutta	17	63	18
Cardiff	17	63	18
Chicago	17	63	18
Copenhagen	17	63	18
Dublin	17	63	18
Edinburgh	17	63	18
Helsinki	17	63	18
Hong Kong	17	63	18
London	17	63	18
Los Angeles	17	63	18
Madrid	17	63	18
Manila	17	63	18
Moscow	17	63	18
Mumbai	17	63	18
Nairobi	17	63	18
Osaka	17	63	18
Paris	17	63	18
Perth	17	63	18
Rangoon	17	63	18
San Francisco	17	63	18
Singapore	17	63	18
Stockholm	17	63	18
Sydney	17	63	18
Tokyo	17	63	18
Washington	17	63	18
Yokohama	17	63	18

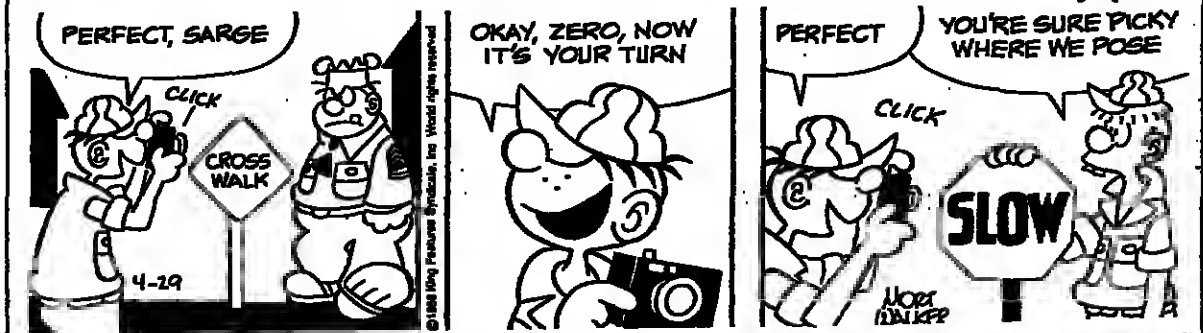
PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



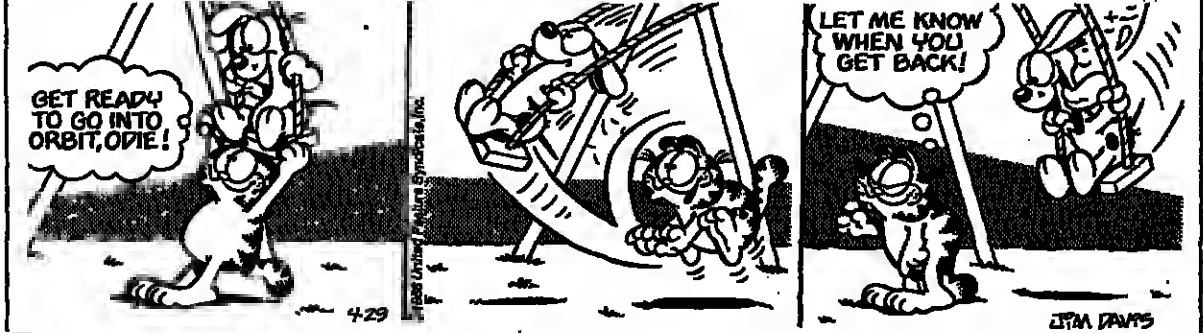
WIZARD of ID



REX MORGAN



GARFIELD



BOOKS

SINK THE RAINBOW

By John Dyson, with Joseph Fichett. 192 pages. \$19.95. Victor Gollancz Ltd, 14 Henrietta Street, London WC2.

Reviewed by Peter O'Loughlin

THE sinking of the Greenpeace flagship Rainbow Warrior in Auckland harbor on the night of July 10, 1985, by a team of French secret agents set off a political tidal wave that is still being felt in France and the Pacific. It captivated New Zealand's anti-nuclear policies onto the front pages and earned the international environmental group widespread sympathy and publicity. It can also be said to have contributed to the French Socialist Party's defeat in the March legislative elections.

In "Sink the Rainbow," John Dyson, a New Zealand journalist and author, in collaboration with Joseph Fichett of the International Herald Tribune in Paris, has put together a documentary account of the events that provoked the DGSE, the French external security service, to sink the Rainbow Warrior to prevent it from leading a protest fleet to the nuclear test site at Moruroa Atoll in French Polynesia.

Relying heavily on Greenpeace material and

French newspaper accounts of what became known as "Underwatergate," the book gives an insight into France's determination to maintain its independent nuclear strike force and its concern at attempts by Greenpeace and the governments of Australia and New Zealand to halt its nuclear testing program in the South Pacific.

The book, written in a sometimes breathless style, dramatically reconstructs the sinking of the ship and the death of the Greenpeace photographer Fernando Pirena. It follows the prompt arrest of two French agents in New Zealand, the discovery of a French secret service connection and the French government's bungled attempts to cover up its involvement. Dyson and Fichett indicate that the French sabotage team left such a clear trail that at first France would not believe such an incompetent operation could have been carried out by its own agents.

Two tourists posing as Swiss honeymooners were arrested. Their passports were quickly found to be false; their one phone call was placed to the secret service in Paris. "All that's missing from this 'made in France' picture is a cigarette, a beer and a bottle of Beaujolais," a skeptical secret service official told the Paris daily Le Monde.

But the French newspapers smelled blood. Led on by a series of leaks from other French agencies, they followed the trail. Defense Minister Charles Hernu was eventually forced to resign and Admiral Pierre Lacoste, head of the secret service, was dismissed by Prime Minister Laurent Fabius.

The agents turned out to be Captain Dominique Priour and Major Alain Malfart. The prosecution dropped murder charges against them after they pleaded guilty to lesser charges of manslaughter. Both were sentenced to 10 years in jail.

Dyson suggests that President Francois Mitterrand's government lost prestige in the eyes of French voters over the affair "not because it had done anything wrong, but because it was caught."

Peter O'Loughlin, Associated Press bureau chief in Australia, wrote this review for the Los Angeles Times.

Solution to Previous Puzzle

SWAP	STRAD	ATKA
TALE	CHILE	MOOD
ANTE	RELIC	INRE
GEORGE	LITOT	YEA
ERE	RASCAL	
SARDINES	SULU	
OBT	TEPID	TORTS
LENS	DODOS	PTAH
EDGES	SELAH	TRE
OATH	STRESSED	
LESSEE	AIM	
ORT	WILLYBRANDT	
GNAT	SOSA	CORE
IRE	TAKEN	KLEE
SERA	SNERD	SAWS

CHESS

By Robert Byrne

IT is unquestionable that a pawn sacrifice has an unsettling effect that may go beyond its purely logical value, provoking mixed feelings of fear and lust for revenge on the part of the recipient, and these impede objective judgement.

For a fascinating example of spirited, if unwarranted, acceptance of a challenge, there is the game between the Russian grandmaster Alexander Belyavsky and the Austrian international master Andreas Ducekstein in the Vienna IBM International Tournament. It proved to be a showcase for Belyavsky's brilliant attacking play.

The basic idea of Bogoljubov's 3...B-N5ch is to give Black an easier defensive task by preparing an exchange of minor pieces.

On 6...BxBch, it would have been wrong to recapture by 7 QxR? because 7...N-K5; 8 Q-B2, Q-N5ch; 9 N-B3, N-N3; 10 Q-N3, QxQch; 11 P-QN4, but he must have been caught unawares by the White's gambit with 11 P-B3!

In playing 10...P-QR4, Ducekstein anticipated Belyavsky's playing (after the alternative 10...Q-N3) the thematic queen-side thrust with 11

lowered his sights and hoped to keep a pawn advantage.

16...PxB (but not...QxQ?; 17 N-Q3, White's terrible threat of 18 P-N3).

After 17 N-B6, Black would have tried 17...O-O, but 18 P-K5! P-B7; 19 (19N-K7ch) Q-N3; 20... would have been a by-product, since Black would have had two pawns for the changed N-Q2: 20 P-N3; 21 R-B3, R-R3; 22 Q-R3; 23 N-K7ch, K-N1; NxB would have been a draw.

Ducekstein's 17...P-QR4 countered by the White's breakthrough with 18 P-N3. On 18...PxB, 19 RxB is possible to escape by 19...Q-N3; 20 RxB, Q-Q2, because of 21 QxQ, N-Q2; 22 R-K7, B-B7; 23 N-K5! R-R2; 24 R-Q4, forcing the gain of material.

Ducekstein gave up queen for rook and knight with 22...BxN, 23 R-Q4, NxB; 24 BxB, RxB, but after 25 Q-B3 he was forced to lose material, for example, after 25...P-K5; 26 Q-B3, O-Q7 Q-N3. With inadequate defensive chances, Black gave up.

Ducekstein's choice was to try repelling an attacker with 14...P-QN4, but instead of a retreat, there came the powerful knight sacrifice with 15 N/4xK! On 16...QxN! there could have followed 17 P-B4, QxQ; 18 P-K5, QxQ; 19 DRQ, R-R2; 20 P-N3, O-Q7 PxB, KxP; 22 RxB, with a superior end game for White.



World Stock Markets

Via Agence France-Press April 28 Closing prices in local currencies unless otherwise indicated.

Market	Index	Change
Amsterdam	357	+8
Brussels	359	+8
Frankfurt	359	+8
London	359	+8
Madrid	359	+8
Paris	359	+8
Stockholm	359	+8
Zurich	359	+8

Market	Index	Change
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Frankfurt	359	+8
London	359	+8
Madrid	359	+8
Paris	359	+8
Stockholm	359	+8
Zurich	359	+8

151 1/2 d

SPORTS

Lot Ranger Rookie Cools Off Brewers

By Staff From Des Moines, Iowa — Bobby Witt struck...

But I'd rather catch him than hit against him. ... A's 1, Mariners 0; In Oakland, California...

BASEBALL ROUNDUP

ell, striking out five, finished the two-hitter for his fourth save of the year. Langford was 10-12 in 1980...

to pace a 14-hit attack that earned California...

St. Louis. Bob Ojeda scattered nine hits and Kevin Mitchell and Tim Teufel homered to help New York to its sixth straight victory...

Phrases 13, Phillies 5: In Pittsburgh, Bill Almon homered for the second straight game and drove in four runs as Pittsburgh broke a five-game losing streak...

Cubs 12, Expos 10: In Chicago, Jody Davis hit two home runs, including a grand slam, and Steve Christmas had a two-run double in a five-run eighth as the Cubs won a slugfest...

Angels 3, Twins 7: In Minneapolis, Ruppert Jones hit a two-run home run and Reggie Jackson — who leads the major leagues with a .447 batting average — had three hits and two RBIs...

Russians Beat Swedes for Hockey Crown

Compiled by Our Staff From Dispatches — MOSCOW — A goal by Vyacheslav Bykov with 4:44 to play gave the undefeated Soviet Union a 3-2 victory over Sweden...

later defenseman Vyacheslav Fetisov knocked home a rebound. Sweden switched to a four-checking game, and within a matter of 63 seconds late in the period Tom Eklund converted a record 20th world hockey championship here Monday...

The Soviet Union had won nine straight games in the tournament, including a 4-2 decision over Sweden in the preliminary round, but Monday's match was scores after the first period and 2-2 after the second...

The Swedes used effective backchecking to shut down the attacking lines until Sergei Fedorov opened scoring at 4:07 of the first period...

In the bronze-medal match, Tony Tanti scored at 17:26 of the third period to give Canada a 4-3 decision...

Finland, going for its first medal at a world championship, opened the scoring at 3:59 of the opening period when Hannu Jarvenpaa's slapshot from the left faceoff beat goalie Jacques Cloutier...

Canada then erupted for three straight goals, by Brent Sutter at 5:19, Jim Fox at 0:54 of the second period and, less than four minutes later, by Craig Redmond. Sutter's goal came on a breakaway with Canada playing short-handed; Redmond scored on a power play. Sutter also had two assists...

Canada lost to Finland, 3-2, in the preliminary round but had only 16 players on its squad at that time. Four other players, including Tanti and Sutter, arrived after their teams dropped out of the National Hockey League playoffs.

Coach Rauno Korpi pulled goalie Hannu Kamppuri for an extra attacker in the last minute of the game, but Finland failed to capitalize on the manpower advantage.

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Rangers Nip Caps, Advance

NEW YORK — One upstart can now rest, waiting to see if it will face another in the next round of the National Hockey League playoffs...

The New York Rangers completed their second knockout of a regular-season heavyweight here Sunday night with a 2-1 victory over...

NHL PLAYOFFS

the Washington Capitals. New York had eliminated Philadelphia, the regular-season Patrick Division champion, in the first round...

The Rangers will face either equally surprising Hartford, or Montreal, in the Wales Conference finals. The Whalers shut out the Canadiens on Sunday, reducing that series to a decisive Game 7 in Montreal Tuesday night.

The Rangers played brilliantly in a high-scoring contest between two of the league's top offensive teams (Washington finished second this season in goals allowed and the Rangers fourth)...

Pierre Larocque backed John Vanbiesbroeck's goaltending heroics with two goals to help New York win its first division title. Exiled to the minors, Larocque missed the season's first 48 games before returning in January to play the offense-starved Rangers a lift. Both of his goals in the clutch resulted from his scoring touch around the net.

With the help of rookie linemate Mike Ridley, Larocque scored at 12:30 of the first period and connected on a power play 34 seconds into the third for his eighth goal of the playoffs...

"I felt really sharp," said Vanbiesbroeck, who made 20 saves and allowed only Bobby Carpenter's goal at 5:38 of the third period. Playing "out of my mind," Vanbiesbroeck recorded his 38th victory of the season, tying Eddie Giacomin's franchise record, set in 1967-68.

Whalers 1, Canadiens 0: In Hartford, Kevin Dineen scored and Mike List, back in goal after missing two games because of an injury, stopped 32 shots as the Whalers evened the series, 3-3.

Montreal goalie Patrick Roy was pulled with 31 seconds left, but the Canadiens, who outshot the Whalers overall, 52-17, could not get the equalizer...

List, who recorded the second playoff shutout of his career, made his best stop with 10:28 left in the game. Claude Lemieux broke in alone and had List down, but the goalie thwarted a high shot with a brilliant pad save.

Dineen's sixth playoff goal came at 7:30 of the second period. Dave Babych started the play by clearing the puck around the boards into the Montreal zone. The puck got away from Roy and rolled to John Anderson, who centered to Dineen. With Craig Ludwig draped over the net, the scrappy right wing redirected the pass high over Roy's shoulder.

"We haven't shied away from big games all year, so Montreal has to be worried," said Hartford's captain, Ron Francis.



When Dan Rounfield (right) and Jeff Malone had their hands full with Terry Catledge during Sunday's second-period, Philadelphia's Julius Erving found this rebound easy pickings.

76ers Rout Bullets, Take Series

PHILADELPHIA — Rookie Terry Catledge, replacing the injured Moses Malone, carried the Philadelphia 76ers into the second round of the National Basketball Association playoffs here Sunday...

Catledge scored 27 points as Philadelphia routed the Washington Bullets, 134-109, to win the decisive fifth game of the opening round of the Eastern Conference semifinal series.

"I just try to go out and play my game," said the 6-foot-9 (2.05-meter) Catledge, forced into the pivot because of the fractured orbital bone near Malone's right eye has not healed. "I know I can't put up the numbers in points and rebounds that Moses does, but I get up and down the floor."

Meanwhile, in two conference semifinal series openers, Boston and the Los Angeles Lakers were easy victors over Atlanta and Dallas, respectively.

"Overall, it was our best first half and our best first quarter," said Philadelphia Coach Matt Guentak. "We really got rolling early."

After a Kevin Willis tip-in drew Atlanta to within 68-59 at 5:02, Larry Bird started the 14-0 run with a spinning reverse lay-up at 4:50, and finished it with a fast-break lay-up at 2:13 to make it 82-59. Only Atlanta's 28-17 advantage in the fourth period kept the final score respectable.

McHale also helped to hold Dominique Wilkins, the NBA scoring champion with a 30.3 average, to 13 points.

NBA PLAYOFFS

ton came no closer than 12 points in the second half.

"I was just throwing the ball up every chance I could," Catledge said. "If Bob blocked it, I was just going to take it right back to him. After my first two or three shots, he stayed off me. I seemed to have more room as the game went on."

While Catledge and Charles Barkley (who had 19 points, 15 rebounds and 12 assists) controlled the Bullets inside, Philadelphia point guard Maurice Cheeks added 24 points and 11 assists before leaving the game in the fourth period with a twisted ankle.

Celtics 103, Hawks 91: In Boston, Kevin McHale keyed a 14-0 third-quarter surge with 6 of his 24 points to lead the Celtics to victory in the opener of an Eastern Conference semifinal.

Boston led by 52-46 at halftime but outscored Atlanta, 34-17, in the pivotal third quarter, during which the Celtics hit 68 percent of their shots while Atlanta converted only 32 percent.

Coach Dick Motta grumbled that his Mavericks had to finish their first-round series against Utah on Friday, travel on Saturday and play on Sunday. "It definitely didn't do our team any good," he said.

But his players didn't sulk. "As a professional athlete, you're supposed to deal with everything," said forward Sam Perkins, who was 4-for-17 from the field.

points. Atlanta, which lost all six regular-season games to Boston, was paced by Willis with 18.

The victory was Boston's 34th straight at home, setting a combined regular-season and playoff record. The Celtics broke the Minneapolis-Laker mark that had stood since 1949-50.

Lakers 130, Mavericks 116: In Inglewood, California, Kareem Abdul-Jabbar scored 28 points, and Earvin Johnson recorded 14 assists to carry the defending champions in the first game of their Western Conference semifinal.

Los Angeles, seeking to become the first team since the 1969-69 Celtics to repeat as champions, improved to 4-0 in the playoffs. Having won their first three games by at least 20 points against San Antonio, the Lakers led by 22-6 midway through the first quarter and by 64-48 at halftime.

Dallas, which advanced to the conference semifinals with a four-game victory over Utah, could not overcome poor first-quarter shooting and Laker surges in each of the first three periods.

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BOOKS

with Joseph Fitchett. 192 Victor Gollancz Ltd., 14 St. James Place, London WC2. ... Rainbow? John Dyson, a New York author, in collaboration with the International Herald Tribune, has put together a document of the events that led to French external security services...

CHESS

unaware by the Russian's gambit with 11 P-B5! ... The safest course would have been to decline the offer by 11... P-P4, P-P4 after which White chances on the open Q-B...

Chess board diagram showing a game in progress with pieces on the board and move numbers.

REBOARD

Table listing various board games and their results, including Chess, Backgammon, and others.

Hockey

Table showing Hockey League Playoffs results, including teams like Toronto, Montreal, and Pittsburgh.

Baseball

Table showing Sunday's Major League Line Scores for various MLB teams like Cleveland, New York, Philadelphia, etc.

Baseball

Table showing Major League Leaders in batting average, home runs, and other statistics.

Basketball

Table showing NBA Playoffs results and Major League Standings for basketball.

NBA Playoffs

Table showing NBA Playoff Schedule for the first and second rounds.

Major League Standings

Table showing Major League Standings for baseball, including American League and National League.

ART BUCHWALD

Roll Out the Oil Barrel

WASHINGTON — When the price of oil was \$33 a barrel, a tribunal of energy experts told me it was my fault.

You now get out of here and conserve every cup of oil you can.



I did as I was instructed. I sold the big car and bought a foreign midget. I insulated the house.

Then for no reason the price of oil dropped — first by a few pennies, then by nickels and dimes, and finally by big petro-bucks.

The tribunal of oil wise men called me in. I thought they were going to congratulate me for my conservation. But they were angry.

"You've made fools of us. We predicted the price of oil would go up, but it has gone down."

"I had nothing to do with it." "Hah! Your conservation methods have caused an oil glut. More oil is being produced than is being sold, and there is anarchy in the marketplace."

"One person can't cause an oil glut." "Not you alone, but everyone like you who cut back on consumption. Because of a lot of cheap people, oil may hit \$5 a barrel."

"You told me OPEC would never let that happen." "They double-crossed each other by drilling more oil than they had agreed to. This forced everyone to open up their spigots and start a price war. The consumer is now in charge."

"Anything wrong with that?" "The first rule of any business is to never let the consumer be in charge."

"So tell me, wise ones, how do I make the oil nations well?" "Double your consumption of lighter fluid. Buy a diesel motorboat. Give each one of your kids a Porsche. Use heating oil to barbecue your steaks. Replace your electric lights with gas ones. Take an Exxon executive to lunch. Can you do it?"

"I guess so. But I sort of enjoy paying 70 cents for gasoline. It hasn't shaken me up as much as I thought it would."

"Don't think of yourself. Think of all the banks that have made loans to the petroleum industry. Remember, every time the price of oil drops 50 cents a barrel, a bank executive gets sick to his stomach."

Kremlin Armory Opens Friday After Renovation

MOSCOW — The Kremlin armory, which houses valuable jewelry and regalia from czarist Russia, will open Friday after three years of renovation and reorganization of the exhibits, a museum spokesman said.

The armory's nine halls contain weapons, armor and jewels dating from the 12th century up to the 1917 Bolshevik revolution. This said the museum would include a new exhibition of rare 17th-century silver.

'Tai-Pan': A Saga of Problems Filming in China

By John F. Burns

ZHUHAI, China — Nearly 20 years after Hollywood first considered the idea, the de Laurentis Entertainment Group has committed \$25 million to a version of James Clavell's novel "Tai-pan," the most ambitious U.S. film project ever undertaken in China — a big-screen saga of the 19th-century swashbucklers who built commercial empires and the colony of Hong Kong out of the opium trade along the South China coast.



Bryan Brown stars in screen version of "Tai-Pan."

A crew headed by Raffaella de Laurentis, Dino de Laurentis's 33-year-old daughter, recently completed more than three months of shooting for the film, scheduled for release later this year. Trading in the footsteps of William Jardine, the Scottish-born trader who was the archetype of the men who inspired Clavell's tale, they used locations in Guangzhou and along the Pearl River. Early Hong Kong, Britain's prize from the Opium War of 1840-42, was re-created on the beachfront in Zhuhai, across the border from Macao.

Raffaella de Laurentis took a number of risks in her fifth production for her father's company. Among them was her decision to compress Clavell's long, complex novel to a two-hour production for theater release. Several people involved in the project, including the Canadian director Daryl Duke, who directed the "Thornbirds" mini-series for American Broadcasting Co., felt that a mini-series might have made for more satisfactory development of the characters as well as fuller use of the pictorial opportunities of filming in China.

With her father, who remained in close contact with the production from his base in Los Angeles, de Laurentis took other gambles with the casting. The role of Dirk Struan, the Jardine-like character who is the central figure in the book, went to Bryan Brown, the 38-year-old Australian who played one of three soldiers on trial in the Boer War saga "Breaker Morant." Brown had to acquire a Scottish accent. His Shanghai-born co-star was 23-year-old Joan Chen, who had never acted in a Western production before.

De Laurentis signed a production contract with the Chinese in May 1985. The venture carried heavy implications for her reputation as a producer. Her previous film, the \$45-million "Dune," received a nearly universal drubbing from the critics. This did little to enhance a career whose major credits had been "Conan the Barbarian" and its sequel, "Conan the Destroyer."

At the "Tai-pan" signing, the producer told associates it was "either my greatest adventure, or my worst mistake." In Zhuhai, nine months later, she had no doubts. "Was it a good idea coming here, given what I now know? No. And would I come here again? Again, no."

Production had hardly begun when she launched into a running battle with the Chinese host organization, Central China Television and Pearl River Studios, the state-run filmmakers in Guangzhou. The strains spread to the 150 foreigners on the crew, a mixture of about 20 nationalities, predominantly American, British and Italian.

In one camp, with the producer, were those who felt the Chi-

nese had been consciously obstructive, forcing clumsy script changes to suit political preferences, levying exploitative charges, entangling the production in red tape and doing little to boost a dimly low level of efficiency for an endeavor that was contributing \$8 million to their economy. Others felt that the hosts had generally done their best, that matters would have gone more smoothly if de Laurentis had been less confrontational.

Charles Jennings, an American whose job as executive in charge of production put him in the thick of many of the disputes, belonged to the second camp. He said the lesson of "Tai-pan" was to stick to smaller projects. "We asked the Chinese to go from the horse-and-buggy kind of operation they have in their own industry to a Ferrari," he said, "and they're not ready for that yet."

Sun Changcheng, director of Pearl River Studios, said that the Chinese crews who worked on the film had learned a good deal, but laid blame for the problems on de Laurentis.

For the Chinese, the making of "Tai-pan" fell within Deng Xia-

ping's "open door" policy, under which the country has admitted a rush of foreign entrepreneurs. From this perspective the difficulties that vexed the film were not much different from those that have soured relations in numerous industrial ventures where foreign capital and technology have been mated to Chinese labor, always under conditions that give the Chinese the final say.

"If they really want to 'open,' well and good, let them open," de Laurentis said, "but if what they really want to do is to take our money and run the country in the same old way let them say so, and people like me can go elsewhere."

Before a clapper board crossed the border, she said, she had to pay \$60,000 to Central China Television and the China Foundation, a Chinese government agency that fosters cultural exchanges. She contrasted this "license fee" with arrangements elsewhere in the developing world, where governments compete to attract film companies. To Sun, the studio boss, the "commission" was normal practice.

The fee was separate from operating costs, levied by the Chinese at rates close to those charged in the West. Among other things, this meant paying \$100 a day for some extras in a country where wages rarely exceed \$1.50 a day. It also led to some stiff "compensation" payments when the Chinese judged that the filming had disrupted normal economic rhythms. De Laurentis paid \$100,000, for instance, for the periodic interruptions of ship traffic on the Pearl River.

A plan to run the film's title sequence over shots of the modern Hong Kong waterfront was vetoed by the Chinese, apparently because of the implication that men like Jardine had accomplished great things. A scene that would have shown Chinese looting after setting fire to opium warehouses was similarly struck. Bedroom scenes had to be filmed in Macao.

To de Laurentis, the changes amounted to censorship, albeit of a largely trivial kind. Sun countered that the contract provided that the film be "historically accurate and not unfriendly to the people of China," and that despite this "we never demanded changes, we only suggested them."

De Laurentis estimated additional costs forced on the production by the Chinese at \$1 million to \$1.5 million, but even this was disputed. Jennings said the contingency fund normal for Hollywood films took care of the bulk of the overrun, and pointed out that the crew had gone only a week or two beyond its original schedule. In any case, the situation was sufficiently worrying for de Laurentis to spend long hours on the telephone with her father. "Dino is not amused," she said.

She said her greatest disappointment was to have brought the production to China to give it an authentic texture only to have the cancellation of plans to film at a Buddhist temple, a move the authorities blamed on objections of Chinese believers.

"Imagine," she said, "I've come all the way here, paid all this money, and I have to build a Buddhist temple of my own. The other things would be less important if I felt I'd got China on the screen, but I haven't."

PEOPLE

Horowitz's Return Date To Hall in Leningrad

Vladimir Horowitz, 81, is winding up his Soviet tour after a concert Sunday in Leningrad, in the ornate Philharmonic Hall where 61 years ago he played what would be his last Russian concert until his return appearance April 20 in Moscow. Horowitz played with a passion and a flair that seemed inspired in part by a renewal of affection for Leningrad. As in Moscow, he seemed to establish an emotional bond with his former countrymen, leaving many in tears after performances of pieces by Rachmaninoff and Scriabin. Today Horowitz is scheduled to teach a master class at the Leningrad Conservatory before flying to West Germany, where he will give two recitals next month.

Love letters of Britain's King Edward VIII and the woman for whom he gave up his throne were published Monday as her body rested in the 14th-century burial place of English kings. "Daring sweetheart," she wrote to him. "I feel as though my heart would burst if I didn't see you, and we must be brave." "Oh, my beloved," the king called her in a reply. The Daily Mail newspaper began serializing more than 80 letters bought for a reported £500,000 (about \$750,000) as the Duchess of Windsor, who died Thursday in Paris at age 89, was flown to England to be buried beside her husband near Windsor Castle. The royal family was in "family mourning," which meant official engagements only. Queen Elizabeth the Queen Mother, 85, whose husband became King George VI on Edward's abdication and who once called the duchess "the woman who killed my husband," spent Saturday afternoon at the races. The Daily Mail said the duchess had wanted the letters published after her death in the hope that they would change her image as a "cold and calculating American adventuress." They will be published in book form May 15. The 1944 diary of Eva Braun, Hitler's mistress and his wife for a day, has been sold at auction in Munich for 16,500 Deutsche marks (\$7,500). The diary, in which Braun wrote appointments and comments on her life, was bought on behalf of a foreign museum, the auctioneer, Hermann Historica, said. The seller was not named.

ANNOUNCEMENTS
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